

# RAGHUVANSH AGROFARMS LIMITED



**Corp. Office:** 16/19-A, Civil Lines, Kanpur -208001, Uttar Pradesh

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Email: raghuvanshagro@gmail.com, rafl666@rediffmail.com

Website: www.raghuvanshagro.com

**CIN:** L40300DL1996PLC258176

**Ref.: RAFL/BSE/2017-18/AR/AGM/72**

**Dated: 05.10.2017**

To,  
The Secretary  
BSE LIMITED,  
P J Towers, Dalal Street,  
Mumbai-400001,

**Sub.: Copy of Annual Report for the 21<sup>st</sup> AGM**

**Ref.: RAGHUVANSH AGROFARMS LIMITED (SCRIP CODE-538921)**

Dear Sir/Madam,

With reference to the regulation 34 of the SEBI(LODR) REGULATIONS 2015, Please find enclosed herewith the copy of the Annual report of the Raghuvansh Agro farms Limited for the 21<sup>st</sup> Annual General Meeting held on 23<sup>rd</sup> September, 2017 at 01:30 PM at registered office of the company at 201-202, Namdhari Chambers, Karol Bagh, New Delhi-110005.

Please take it on your record and oblige us.

Thanking you.

**For Raghuvansh Agro farms Ltd.**

*For RAGHUVANSH AGROFARMS LIMITED*

A handwritten signature in blue ink, appearing to read 'Rajit', is written over the typed name.

*Company Secretary / Compliance Officer*

**(Rajit Verma)**

**Company Secretary & Compliance Officer**

**Encl.: As stated**



# **RAGHUVANSH AGROFARMS LIMITED**

**ANNUAL REPORT 2016-17**

*Twenty first Annual Report 2016-17*



## **LETTER TO THE SHAREHOLDERS**

*Dear Shareholders,*

*With great pleasure we would like to present the twenty first Annual Report of the Company for the financial year 2016-17.*

*In this financial year Company has witnessed immense growth and made the good profits by the excellent performance and decision making of the Management Team and contribution of hard work by its workforce. Holding company as well as its subsidiaries performed very well and made good profits. As in previous year the management had decided to excel and direct the company towards the growth and success, and they successfully proved themselves.*

*As it is known that from 01<sup>st</sup> of July, 2017 Goods and Service TAX Act has become applicable, we would like to assure that Your Company is fully ready to adopt new law and capable to comply with the applicable provisions of Good and Services Tax Act.*

*We would like to further assure you that your company is progressing to achieve new milestones in its journey towards sustainable growth through total excellence. Raghuvansh Agro farms Limited has pursued business excellence through passion, Perseverance and expansion projects successfully thereby improved its cost competitiveness and profitability.*

*As Agricultural products and dairy products are the part of the basic need, so its demands keep growing and simultaneously the demand of organic manure is increasing day by day. Now your company is venturing in other effective and profitable techniques of cultivation and in order to that Company has started the cultivation through the technique of aeroponics.*

*We would like to assure that we will continuously seek the opportunities and make our best efforts to contribute towards the growth and success of the organization.*

*We extend our sincere appreciation to our colleagues on the Board for their wise and matured counsel for the smooth functioning of the Company. We would like to express our profound gratitude to all our stakeholders, our customers, business associates, employees, bankers, vendors and shareholders who have reposed their trust in us and given us constant support.*

*With warm regards,*

*Yours sincerely,*

*Subodh Agarwal*

*(Managing Director)*

**Raghuvansh Agro farms Limited**

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Vishal Maheshwari - **Chairman (Independent Director)**  
Mr. Subodh Agarwal - **Managing Director**  
Mrs. Renu Agarwal- **Executive Director**  
Mr. Niranjan Swaroop Goel- **Independent Director**  
Mr. Neeraj Agarwal- **Non Executive & Non Independent (Additional) Director**

### **CHIEF FINANCIAL OFFICER**

Mr. Devendra Pratap Singh

### **COMPANY SECRETARY**

Mr. Rajit Verma

### **BANKERS**

Union Bank of India  
Yes Bank Limited  
Kotak Mahindra Bank Limited

### **AUDITORS**

M/s. Naval Kapur & Co., Chartered Accountants  
10/49, Civil Lines, Mc Roberts' Ganj,  
Kanpur-208001

### **REGISTRAR/SHARE TRANSFER AGENT**

Skyline Financial Services Pvt. Ltd.  
D-1 53 A, 1<sup>st</sup> Floor, Okhla Industrial Area,  
Phase-1, New Delhi-110020,

### **REGISTERED OFFICE**

201-202, Namdhari Chambers,  
Karol Bagh, New Delhi-110005

### **CORPORATE OFFICE**

16/19-A, Civil Lines  
Kanpur-208001, Uttar Pradesh

**Email id:** raghuvanshagro@gmail.com, rafl666@rediffmail.com

**Website:** www.raghuvanshagro.com

**Tele. No.:** 0512-3071470-71



## DIRECTOR'S REPORT TO SHARE HOLDERS

The Board of Directors has pleasure in presenting the Twenty first Annual Report along with the Audited Accounts for the year ended on 31st March, 2017.

### FINANCIAL RESULTS:

#### STANDALONE FINANCIAL RESULT

During the year under review, performance of your company as under:

Particulars	Amount (in Rs.)	
	Year ended 31st March 2016	Year ended 31st March 2017
Turnover	20437756	74326569
Profit/(Loss) before taxation	6079453	38489680
Less : Tax Expense	500000	900000
Less : Deferred Tax	182826	1059478
Profit/(Loss) after tax	5396627	36530202

#### CONSOLIDATED FINANCIAL RESULTS

The consolidated performance of the group as per consolidated financial statements is as under:

Particulars	Amount (in Rs.)	
	Year ended 31st March 2016	Year ended 31st March 2017
Turnover	63291080	162385888
Profit/(Loss) before taxation	14582282	51849156
Less : Tax Expense	1552000	2200000
Less : Deferred Tax	(96513)	908536
Profit/(Loss) after tax	13126795	48740620

### STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Company is engaged in agriculture operations. The Company is broadly engaged in cultivation of Organic Vegetables, Organic Grains, Cereals, vegetables, flowers and organic manure. We have an integrated facility for cultivation, processing and distribution of agricultural produce. Apart from the above, the Company is also engaged in dairy farming and production and distribution of dairy products. During the Financial year company has also adopted profitable technique of cultivation known as Aeroponics.

Company has made various agreements with ICAR (Indian Council of Agricultural Research) to improve the quality of produce of cultivation and increase in production of the product. The Scientists of the ICAR timely providing training to our staff to achieve the said objective,

And Company is engaged in Bio Gas Power Plant which is being run successfully.

### CHANGE IN THE NATURE OF BUSINESS IF ANY

During the year under review there is no change in the nature of the business of the company.

### DIVIDEND

However with the view to conserve the resources of company the directors are not recommending any dividend.

## **INCREASE IN ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARE CAPITAL**

During the year, there is no change in the share capital of the Company.

## **TRANSFER TO RESERVES IN TERMS OF SECTION 134(3)(J) OF THE COMPANIES ACT, 2013**

For the financial year ended on March 31, 2017, the Company has not transferred any amount to Balance Sheet under the head "General Reserve Account".

## **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return, in format MGT -9, for the Financial Year 2016-17 has been enclosed with this report as an annexure- 3.

## **NUMBER OF MEETINGS OF THE BOARD**

During the year only 07 Meetings of the Board of Directors held, the intervening gap between meetings was within the period prescribed under the Companies Act, 2013.

<b>Sl. No.</b>	<b>Date of the Meeting</b>
1.	30.04.2016
2.	30.05.2016
3.	09.07.2016
4.	20.08.2016
5.	05.11.2016
6.	14.11.2016
7.	30.01.2017

### **(a) Composition**

- The Board Comprises of five directors, one of them is Managing Director.
- The office of Managing Director is held by the Mr. Subodh Agarwal one of the Promoters of the company.
- The office of chairman is held by Mr. Vishal Maheshwari who is an Independent Director of the Company.

### **(b) Category and Attendance of each director at the Board meetings and the last AGM.**

<b>Name</b>	<b>DIN</b>	<b>Category of Directorship</b>	<b>No. of Board Meeting Attended</b>	<b>Attendance at last AGM</b>
Mr. Subodh Agarwal	00122844	Managing Director- ED	07	Yes
Mrs. Renu Agarwal	01767959	ED	07	Yes
Mr. Vishal Maheshwari	06766258	NED-I	04	Yes
Mr. Rajesh Kumar	06703566	NED-I	07	No
Mr. N S Goel	02325340	NED-I	06	No
Mr. Neeraj Agarwal	07718447	NED	Nil	No

**ED** – Executive Director

**NED – I** – Non-Executive – Independent Director



**\*Note:**

- On 30<sup>th</sup> of April, 2016 Mr. Niranjana Swaroop Goel had been appointed as an Additional (Independent) Director and whose appointment had been regularized by appointing him as an Independent Director in the Annual General Meeting held on 24<sup>th</sup> September, 2016.
- On 30<sup>th</sup> of January 2017 Mr. Neeraj Agarwal has been appointed as an Additional (Non Executive) Director in the Board of the Company and on the same day Mr. Rajesh Kumar had resigned from the post of Directorship of the Company.

**(c) Number of other Companies in which Director of the Company is a Director:**

Name of Director	No. of Directorships in other Boards
Mr. Subodh Agarwal	04
Mrs. Renu Agarwal	Nil
Mr. Vishal Maheshwari	Nil
Mr. Rajesh Kumar	02
Mr. N.S.Goel	01
Mr. Neeraj Agarwal	Nil

\*Note: Due to resignation of Mr. Rajesh Kumar on 30.01.2017, following committees had been reconstituted on the same date, the details are stated hereunder:

Sl. No.	Name of the Committee	Chairman	Member	Member
1.	Audit Committee	Vishal Maheshwari	Niranjana Swaroop Goel	Subodh Agarwal
2.	Nomination & Remuneration Committee	Niranjana Swaroop Goel	Vishal Maheshwari	Neeraj Agarwal
3.	Stakeholder Relationship Committee	Vishal Maheshwari	Subodh Agarwal	Neeraj Agarwal

**COMMITTEES OF THE BOARD**

During the year, your directors have constituted or re-constituted wherever required, the following committees of the Board in accordance with the requirements of the Companies Act, 2013. The composition, terms of reference and other details of all Board level committees have been elaborated in the report.

Presently there are three Committees of the Board, they are as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee

**\*Note:** Mr. Niranjana Swaroop Goel had been appointed in Nomination and Remuneration Committee as a member as committee reconstituted on 30<sup>th</sup> April, 2016 due to resignation of Mr. Subhash Ghosh from the directorship of the company.

Further on 30<sup>th</sup> Jan, 2017 due to resignation of Mr. Rajesh Kumar from the directorship of the Company, all the three committees had been reconstituted. Mr. Neeraj Agarwal had been appointed on the same day as an additional director of the company and he has been appointed in the Nomination & Remuneration Committee and Stakeholder



Relationship Committee as a member. And Mr. Niranjan Swaroop Goel has been appointed in the Audit Committee as a member.

## I. AUDIT COMMITTEE

The Audit Committee comprises of Mr. Vishal Maheshwari (Chairman-Non Executive Independent Director), Mr. Subodh Agarwal (Member-Whole Time Director), Mr. Niranjan Swaroop Goel (Member- Independent Director). All the recommendations made by audit committee were accepted by Board.

i. Terms of Reference: The terms of reference of this Committee are wide enough covering the matters specified under the SEBI (LODR) Regulations 2015 and the Companies Act, 2013.

ii. Composition, Name of Members and Chairperson

Name	Designation	No. of Meetings Attended
Mr. Vishal Maheshwari	Chairman	04
Mr. Subodh Agarwal	Member	04
Mr. Rajesh Kumar	Member	03
Mr. N S Goel	Member	01

\*Note: Mr. N. S. Goel has been appointed as a Member in the Audit Committee on 30.01.2017 and on the same day Mr. Rajesh Kumar had resigned.

iii. Details of Audit Committee Meetings held during the year under review:

Sr. No.	Date
1.	30.05.2016
2.	20.08.2016
3.	14.11.2016
4.	09.02.2017

Note: The Company Secretary of the Company acts as the Secretary to the Committee.

## II. Nomination and Remuneration Committee

i. Terms of Reference:

The terms of reference of this Committee are wide enough covering the matters specified under the SEBI (LODR) Regulations 2015 and the Companies Act, 2013.

ii. Composition, Name of Members and Chairperson

Name	Designation	No. of Meetings Attended
Mr. N S Goel	Chairman w.e.f. 30.01.2017	01
Mr. Vishal Maheshwari	Member	02
Mr. Rajesh Kumar	Chairman upto 30.01.2017	01
Mr. Neeraj Agarwal	Member	Nil

\*Note: On 30<sup>th</sup> Jan, 2017 Mr. Niranjan Swaroop Goel has been appointed as a chairman in the Nomination and Remuneration Committee due to resignation of Mr. Rajesh Kumar. And Mr. Neeraj Agarwal has joined the committee as a member on the same day.

The meetings of the Committee were held on 30.04.2016 & 30.01.2017.

### iii. Remuneration Policy

Remuneration policy of the Company aims at recommending and reviewing the remuneration to Managing Director, Non-executive Directors, Executive Directors and Key Managerial Personnel of the Company based on evaluation criteria such as industry benchmarks, company's annual performance & its strategy, expertise, talent and meritocracy.

Directors express their satisfaction with the evaluation process.

#### Details of remuneration paid to Managing Director for the year under review:

Name of the Director	Salary	Commission	Performance linked bonus	Perquisites and Contribution to Provident Fund	Terms of appointment
Mr.Subodh Agarwal	6,00,000	-	-	-	05 Years, (From 01/04/2014 To 31/03/2019)

### III. Stakeholders Relationship Committee

#### i. Terms of Reference

The terms of reference of this Committee are wide enough covering the matters specified under the SEBI (LODR) Regulations 2015 and the Companies Act, 2013.

#### ii. Composition, Name of Members and Chairperson

Name	Designation	No. of Meetings Attended
Mr. Vishal Maheshwari (Ind. Director)	Chairman	01
Mr. Subodh Agarwal	Member	01
Mr. Niranjana Swaroop Goel (In. Director)	Member	01

The meeting of the Committee was held on 14.11.2017 which was attended by all the members.

- Mr. Niranjana Swaroop Goel has been appointed in the committee on 30.01.2017.
- The Company Secretary of the Company acts as the Secretary to the Committee.
- There was no complaint received from the shareholder during the period under review as per the report provided by the Registrar and Transfer Agent, hence there are no pending Complaints.

### PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

Details of Loans and Investments covered under provision of section 186 of the Companies Act, 2013 are stated in the notes of financial statements.

### RELATED PARTY TRANSACTION

None of the transactions with related parties falls under the scope of section 188(1) of the Act. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure-5** in Form AOC-2 and the same forms part of this report.

Transactions with related parties entered into by the Company are in the normal course of business on arm's length basis and do not have potential conflicts with the Company.



## **SUBSIDIARY**

There are two subsidiaries of Raghuvansh Agro farms Limited:

### **1. Sanjeevani Fertilizers and Chemicals Private Limited(SFCPL)**

Sanjeevani Fertilizers and Chemicals Pvt. Ltd. is unlisted material subsidiary of the Raghuvansh Agro farms Limited which holds 51.00% of the total equity share capital of the SFCPL. SFCPL is primarily engaged in cultivation of fruits. Sanjeevani has orchards of Pomegranate, Guava and Banana etc. The Orchards of SFCPL span across 1.888 hectares of farm land located at Village Gaur Pathak, Thesil Pokhrayan, District Ramabai Nagar (Old Kanpur Dehat). The said farm land is owned by SFCPL. The gross revenue of the company stood at Rs. 5,05,44,875/- (previous year Rs. 71,41,143/-). Profit after Tax stood Rs.70,04,332 /- (Previous year Rs. 29,81,790/-).

### **1. Kanpur Organics Private Limited(KOPL)**

Kanpur Organics Private Limited is unlisted subsidiary of the Raghuvansh Agro farms Limited as it holds 94.78% of total equity Shares of the Company. KOPL is primarily engaged in the production of Organic Manure. The gross revenue of the company stood at Rs.3,92,33,945/-[Previous year Rs. 3,73,09,241/-]. Profit after Tax Rs. 52,56,086/- (Previous year Rs. 47, 48,378/-).

The details of financial performance of Subsidiaries are furnished in annexure-4 and attached to this report.

## **RISK MANAGEMENT**

Adverse weather conditions, future climate changes, Increases in labor, personnel and benefit costs, may adversely affect our business operations, as well as our operating results.

To mitigate such risk the management is always vigilant to overcome the aforesaid problem by applying appropriate technology, employing deserving executives, proper reporting and recording of data, timely evaluation and best decisions making.

## **CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Act and the Articles of Association of the Company, Mrs. Renu Agarwal, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for reappointment, as apart from her, there is one Managing Director and rest of the Directors are Independent Directors and Additional Director therefore, not liable to retire by rotation.

During the financial year under review, on 30<sup>th</sup> April, 2016 Board has appointed Mr. Niranjana Swaroop Goel (DIN: 02325340) as an additional (Non Executive & Independent) Director in the Board of the Company and whose appointment had been regularized by appointing him as an Independent Director in the Annual General Meeting held on 24<sup>th</sup> September, 2016. On 30.01.2017 Mr. Rajesh Kumar (DIN: 06703566), Independent Director of the Company, had resigned from the office of the Directorship w.e.f. 30.01.2017 and on the same date Mr. Neeraj Agarwal (DIN: 07718447) had been appointed as an Additional (Non Executive Non Independent) Director in the Board of the Company.

Except as above there was no change has taken place in the position of Directors and KMPs held by them.

## **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the Year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

## **PUBLIC DEPOSITS**

As on March 31, 2017, there are no public deposits. There are no deposits that remain unclaimed. The company has not renewed/ accepted fixed deposits and therefore there is no information required to be furnished in respect of outstanding deposits.

## **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013 :-

- Mr. Vishal Maheshwari
- Mr. Niranjana Swaroop Goel

## **SECRETARIAL AUDITOR**

The Board had appointed **M/s. JCA & Co.**, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2016-17. Mr. Amit Deedwania, Practicing Company Secretary (Membership NO.: A36549, C.P.No.: 13588), Proprietor of M/s. JCA & Co., present secretarial Auditor of the Company, requested for the change of name of the firm from M/s. JCA & Co. to **M/s. DEEDWANIA A & CO.** in records of the company, Accordingly the name of the firm has been changed and approved by the Board of the Directors, required compliances were done as per applicable rules and regulations. And Secretarial Audit Report has been issued to the Company under the name of the proprietor firm **M/s. Deedwania A & Co.**

The Secretarial Audit Report for the financial year ended on March 31, 2017, is annexed herewith marked as annexure-1 to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations along with other rules and regulations applicable, if any, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

## **COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters is as per the provisions of the of the Companies Act 2013 and applicable regulations of SEBI(LODR) Regulations 2015.

## **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Whistle Blower Policy is available on the website of the Company.

## **PARTICULARS OF EMPLOYEES**

The particulars as required to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this report as an annexure-6 and none of the employee is drawing remuneration of Rs.5,00,000/- or more per month if employed for a part of the year or Rs.60,00,000/- if employed throughout the period.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Board of Directors of the Company hereby confirms that the provisions of Section 135(1) of the Companies Act, 2013 is not applicable to our company.

## **AUDITORS' REPORT**

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report which is annexed hereto and forms part of the Annual Report does not contain any qualification, reservation or adverse remark.

## **STATUTORY AUDITORS**

M/s. U. Narian & Company (Firm Reg. No.: 000935C) having its office at Kailash Bhawan, First Floor, VAU's Maruti Showroom Lane, Dak Bunglow Road, Patna-800001, are proposed to be appointed as Statutory Auditors of the Company in place of M/s. Naval Kapur & Co., Chartered Accountants (Firm Registration No. [005851C]) Who have submitted a letter expressing their unwillingness to be reappointed in the ensuing Annual General Meeting due to pre occupation, to hold office from the conclusion of this Annual General Meeting till the conclusion of 26<sup>th</sup> Annual General Meeting, subject to the ratification by the shareholders of the company at every Annual General Meeting. The Company has received the certificate that its appointment as Auditors is within the limit as laid down U/s. 139 of the Companies Act 2013.

## **CORPORATE GOVERNANCE**

As per regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

*"15(2) : The compliance with the corporate governance provisions as specified in regulations 17, 18, 19, 20, 21,22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V shall not apply, in respect of –*



15(2)(b): the listed entity which has listed its specified securities on the SME Exchange:

*Provided that for other listed entities which are not companies, but body corporate or are subject to regulations under other statutes, the provisions of corporate governance provisions as specified in regulation 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall apply to the extent that it does not violate their respective statutes and guidelines or directives issued by the relevant authorities.*

Hence your company is exempted to comply with aforesaid provisions of the SEBI (LODR) Regulation, 2015

### **SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL ACT, 2013**

There were no complaints received during the financial year 2016-17 and hence no complaint is outstanding as on 31.03.2017 for redressal. Further Company ensures that there is a healthy and safe atmosphere for every women employee at the workplace and made the necessary policies for safe and secure environment for women employee.

### **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Regulation 33 of the SEBI (LODR) Regulations, 2015 the Consolidated Audited Financial Statements and Consolidated Cash Flow Statement for the year ended on March 31, 2017 are provided in the Annual Report.

A statement containing the salient features of the financial statements of each of the subsidiary in the prescribed Form AOC-1 are annexed (Annexure-4).

### **MATERIAL CHANGES SUBSEQUENT TO THE CLOSE OF THE YEAR**

No material changes have been occurred between Balance Sheet date and the date on which the financial statement are approved by the Board of Directors.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### **BUSINESS RESPONSIBILITY REPORT**

The Board of Directors of the Company hereby confirms that, according to the provisions of Regulation 34(2)(f) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation 2015, report known as Business Responsibility Report (BRR) is not mandatorily applicable to our company, hence not annexed with Annual Report.

### **CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has ventured into the field of renewable energy. The Company has been successfully running a Bio Gas Power Plant on pilot basis at its Kapli Farms. The said plant has been operational for a period of more than 3 years. Apart from that, the Company has commissioned 1000 M3 capacity Bio Gas Plant for Power Generation at





the factory premises of its subsidiary, M/s Sanjeevani Fertilizers and Chemicals Private Limited and has entered into Memorandum of Understanding.

There was no foreign exchange inflow or Outflow during the year under review.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors hereby confirm that:

i. In the preparation of the annual accounts for financial year ended on March 31, 2017, the applicable accounting standards have been followed.

ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2017 and of the profit of the Company for the year ended on that date.

iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. The Directors have prepared the annual accounts for financial year ended on March 31, 2017 on a 'going concern' basis.

v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **OTHER DETAILS**

The company has adopted number of codes and policies to comply with the provisions of various applicable rules, regulations and act and uploaded the same on the website of the company if required by the concerned law.

### **ACKNOWLEDGEMENT**

We thank our customers, business associates, bankers, government authorities and other stakeholders for their continued support during the year.

We wish to convey our deep appreciation to the suppliers/vendors for their valuable support. We also place on record our sincere appreciation for the enthusiasm and commitment of Company's employees for the growth of the Company and look forward to their continued involvement and support.

Place: Kanpur  
Date: 19.08.2017

By order of the Board of Directors  
For Raghuvansh Agro farms Limited

-Sd-  
(Subodh Agarwal)  
Managing Director  
DIN: 00122844

-Sd-  
(Renu Agarwal)  
Director  
DIN: 01767959





## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

### **INTRODUCTION**

Since its inception, the Company is engaged in agricultural operations. The Company is broadly engaged in cultivation of Organic Vegetables, Organic Grains and Cereals. We have an integrated facility for cultivation, processing and distribution of agricultural produce. Apart from the above, the Company is also engaged in dairy farming, production, distribution of dairy products and manufacturing of organic manure.

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

As per the land use statistics 2010-11, the total geographical area of the country is 328.7 million hectares, of which 141.6 million hectares is the net sown area. The gross cropped area is 198.9 million hectares with a cropping intensity of 140.5%. The net irrigated area is 63.6 million hectares.

In India, agriculture is a traditional business which is being advanced with the use of scientific techniques, tools, equipments and machineries. The agriculture produce consumed in native place as well as exported to other countries.

Biomass has always been an important energy source for the country considering the benefits it offers. It is renewable, widely available, carbon-neutral and has the potential to provide significant employment in the rural areas. Biomass is also capable of providing firm energy. About 32% of the total primary energy use in the country is still derived from biomass and more than 70% of the country's population depends upon it for its energy needs.

The current availability of biomass in India is estimated at about 500 million metric tons per year. Studies sponsored by the Ministry have estimated surplus biomass availability at about 120 – 150 million metric tons per annum covering agricultural and forestry residues corresponding to a potential of about 18,000 MW. This apart, about 5000 MW additional power could be generated through bagasse based cogeneration in the country's 550 Sugar mills, if these sugar mills were to adopt technically and economically optimal levels of cogeneration for extracting power from the bagasse produced by them.

### **OPPORTUNITIES AND THREATS**

There is always demand of agricultural products, dairy products and organic manures. Apart from that there is always incremental demand of power. So Company's existing business is assured to be on demand whether there are agricultural, dairy products, organic manure or power generated through biogas power plant. Company is getting ahead for its expansion in its respective business sector as determined by its board.

Though company is operating in profit making sectors still its growth dependent on climate, government policies, availability of labors, and other factors.

### **SEGMENTWISE PERFORMANCE**

Company's business activity primarily falls within a single business and geographical segment, during the year under review agro and related products worth Rs. 7,52,24,276/- were sold.

### **OUTLOOK**

The Company expects that the situation will ameliorate due to favorable changes in climatic condition and government policies. The market of agricultural and dairy product is expected to grow and would be on demand.



Company is making constant efforts to improve operational efficiency to increase the earnings and making value addition in their operational activities.

### **RISKS & CONCERNS THE MANAGEMENT PERCEIVE**

Unfavorable climactic condition and uncertainty in economic growth which are not favorable presently in agricultural related activity is expected to impact the growth rate in India and consequently the Company's operations.

The growth in the industrial sector depends on government policies, better infrastructure, favorable climate, availability of labor, open market and growth in agricultural sector.

### **INTERNAL CONTROL SYSTEM & THEIR ADEQUACY**

Internal Control Systems are implemented:-

- To safeguard the Company's assets from loss or damage.
- To keep constant check on cost structure.
- To provide adequate financial and accounting controls and implement accounting standards.

The system is improved and modified continuously to meet with changes in business condition, statutory and accounting requirements. Internal controls are adequately supported by Internal Audit and periodic review by the management.

The Audit Committee meets periodically to review –

- Financial statements, with the management and statutory auditors;
- Adequacy/scope of internal audit function, significant findings and follow up thereon of any abnormal nature, with the internal auditors.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL EFFICIENCY**

The details of the financial performance of the Company appear in the Balance Sheet, Statement of Profit and Loss and other financial statements appearing separately. Please refer the Directors' Report for highlights.

### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES, INDUSTRIAL RELATIONS**

The human resources received consistent attention during the year considering the growth of the organization and the need arising there from. The relation at all levels was cordial throughout the year and the Company has initiated many programs on enhancing the skills of its men power.

As an ongoing exercise, the Company has continued to look at, identify, create and execute seamlessly, initiatives which enhance productivity and efficiency.

The Company continues to invest in people, required machines and equipments which enable the work force to meet the production requirements and challenges related thereto and to infuse positive enthusiasm towards the organization.

There are 07 employees on roll in an organization as on 31<sup>st</sup> March, 2017



## **CAUTION**

This report is based on the experience and information available to the Company in the agricultural, dairy business, manufacturing of manures and assumption in regard to domestic and global economic conditions, and government regulations etc.

The performance of the Company is dependent on these factors. It may be materially influenced by the changes therein beyond the Company's control, affecting the views expressed in or perceived from this report.

On behalf of the Board of Directors  
For Raghuvansh Agro farms Limited

-Sd-  
**(Subodh Agarwal)**  
Managing Director  
DIN: 00122844



## Annexure-1

### **Form No. MR-3** **SECRETARIAL AUDIT REPORT**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

To,  
The Members,  
**M/s. Raghuvansh Agro Farms Limited**  
201-202, Namdahari Chambers, New Delhi-110005

Dear Sirs/Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Raghuvansh Agro Farms Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

Based on our verification of the Raghuvansh Agro Farms Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Raghuvansh Agro Farms Limited ("the Company") as given in for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable during the year);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- I. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- II. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- III. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- IV. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
- V. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(vi) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company under the financial year under report:-

(a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Uniform Listing Agreements entered into by the Company with **BSE Limited**, Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent properly before the scheduled meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



All the decisions are carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Date: 19.08.2017  
Place: Jaipur

**M/s. Deedwania A & Co.**  
COMPANY SECRETARIES

AMIT DEEDWANIA  
(Partner)  
ACS No. : A36549  
C.P. No.:13588

## **Annexure-2**

### **DECLARATION REGARDING CODE OF CONDUCT**

I, Subodh Agarwal (DIN:00122844), Managing Director of the Raghuvansh Agro farms Limited, hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

**For Raghuvansh Agro farms Limited**

Date: 19.08.2017  
Place: Kanpur

-Sd-  
**(Subodh Agarwal)**  
Managing Director



### Annexure-3

Form No.MGT-9

**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31/03/2017**  
**Of**

**RAGHUVANSH AGROFARMS LIMITED**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1.	CIN	L40300DL1996PLC258176
2.	Registration Date	19.12.1996
3.	Name of the Company	Raghuvansh Agro farms Limited
4.	Category/Sub-Category of the Company	Listed Public Company
5.	Address of the registered office and contact details	201-202, Namdhari Chambers, Karol Bagh, New Delhi, 110005. Tel.: +91-11-23634461
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	SKYLINE FINANCIAL SERVICES PVT. LTD D-1 53 A, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase-1, New Delhi-110020 Tele.: 011-26812682-83

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Agricultural Product	0111/0112/0113/0119/0122/0123/0125/0130	38.00
2	Dairy Products	01412	12.00
3	Organic Manure	20121	27.00
4	Gold Sale	4662	23.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/As sociate	% of Shares Held	Applicable Section
1	Sanjeevani Fertilizers and Chemicals Pvt. Ltd.	U74120UP2010PTC041812	Subsidiary	51.00	2(87)
2	Kanpur Organics Pvt. Ltd.	U24110UP2007PTC032815	Subsidiary	94.78	2(87)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1015300	-	1015300	8.52	1015300	-	1015300	8.52	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1500000		1500000	12.59	1500000		1500000	12.59	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	2515300		2515300	21.11	2515300		2515300	21.11	-
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	2515300	-	2515300	21.11	2515300	-	2515300	21.11	-
<b>B. Public</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-

d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	100000	24100	124100	1.04	882500	24100	906600	7.61	6.57
i) Indian	-	-	-	-	-	-	-	-	
ii) Overseas	-	-	-	-	-	-	-	-	
b) Individuals	-	-	-	-	-	-	-	-	
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2310100	201800	2511900	21.07	2066600	130550	2197150	18.44	(2.63)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5180500	105000	5285500	44.35	4484000	80000	4564000	38.29	(6.06)
c) Others (HUF)	1445750	35000	1480750	12.42	1699500	35000	1734500	14.55	2.13
<b>Sub-total (B)(2):-</b>									-

Total Public Shareholding (B)=(B)(1)+ (B)(2)									-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total	11551650	365900	11917550	100	11647900	197650	11917550	100	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Subodh Agarwal HUF	33750	0.28	0	33750	0.28	0	0
2.	Subodh Agarwal	981550	8.24	0	981550	8.24	0	0
3.	Litmus Investments Limited	500000	4.20	0	500000	4.20	0	0
4.	Model Kings Safetywear Ltd	1000000	8.39	0	1000000	8.39	0	0
	Total	2515300	21.11	0	2515300	21.11	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Share holding at the beginning of the year		Change in Shareholding			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of Shares	Increase	Date	No. of shares	% of total shares of the company
01	Subodh Agarwal HUF	33750	0.28	--	--	--	33750	0.28
02	Subodh Agarwal	981550	8.24	--	--	--	981550	8.24
03	Litmus Investments Limited	500000	4.20	--	--	--	500000	4.20
04	Model Kings Safetywear Ltd	1000000	8.39	--	--	--	1000000	8.39

\* There is no change in shareholding of promoters.

**(iv) Shareholding Pattern of top ten Shareholders other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year		Transaction Details			Cumulative Shareholding during the year		Reason
		No. of shares	%of total shares of the company	Sale	Purchase	Date	No. of shares	%of total shares of the company	
1	Amrapali Capital And Finance Services Ltd	0	0	0	427500	17.03.2017	427500	3.59	Purchase
				0	112500	24.03.2017	540000	4.53	Purchase
				0	40000	31.03.2017	580000	4.87	Purchase
2	Achintya Securities Private Limited	0	0	0	30000	30/09/2016	30000	0.25	Purchase
				0	15000	07/10/2016	45000	0.38	Purchase
				0	15000	14/10/2016	60000	0.5	Purchase
				0	27500	21/10/2016	87500	0.73	Purchase
				0	12500	28/10/2016	100000	0.84	Purchase
				0	2500	16/12/2016	102500	0.86	Purchase
				0	17500	23/12/2016	120000	1.01	Purchase
				0	5000	30/12/2016	125000	1.05	Purchase
				2500	0	27/01/2017	122500	1.03	Sale
				0	20000	03/02/2017	142500	1.2	Purchase
				0	2500	17/02/2017	145000	1.22	Purchase
				0	22500	03/03/2017	167500	1.41	Purchase
				0	120000	10/03/2017	287500	2.41	Purchase
				0	90000	17/03/2017	377500	3.17	Purchase
				0	60000	24/03/2017	437500	3.67	Purchase
				47500	0	31/03/2017	390000	3.27	Sale
3	Parth Agarwal	200000	1.68	0	0	0	200000	1.68	--
4	Rajendra Raj Singh HUF	115000	0.96	0	0	0	115000	0.96	--
5	Santosh Kumar Agrawal	100000	0.84	0	0	0	100000	0.84	--
6	Abhishek Agrawal	100000	0.84	0	0	0	100000	0.84	--
7	Anurag Agrawal	100000	0.84	0	0	0	100000	0.84	--
8	Manish Agarwal	100000	0.84	0	0	0	100000	0.84	--
9	Ravi Patodia	80000	0.67	0	0	0	80000	0.67	--
10	Payal Gupta	75000	0.63	0	0	0	75000	0.63	--
11	Mohit Jain	75000	0.63	0	0	0	75000	0.63	--
12	Ajit Kumar Gupta	75000	0.63	0	0	0	75000	0.63	--
13	Om Prakash Gupta	75000	0.63	0	0	0	75000	0.63	--
14	Ketan Chandulal Thakkar	100000	0.84	100000	0	10.03.2017	0	0.00	Sale
15	Adit Nitin kumar Thakkar	100000	0.84	100000	0	17.03.2017	0	0.00	Sale

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Designation	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the	No. of shares	% of total shares of the
1.	Mr. Subodh Agarwal	Managing Director	981550	8.24	981550	8.24
2.	Mrs. Renu Agarwal	Director	0	0	0	0
3.	Mr. Vishal Maheshwari	Director	0	0	0	0
4.	Mr. Subhash Ghosh	Director	0	0	0	0
5.	Mr. Rajesh Kumar	Director	0	0	0	0
6.	Mr. Devendra Pratap Singh	CFO	0	0	0	0
7.	Mr. Rajit Verma	CS	0	0	0	0

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total( i+ ii + iii )</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
· Addition	-	-	-	-
· Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total(i+ii+iii)</b>	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD	Name of WTD	Total Amount
		Mr. Subodh Agarwal	Ms. Renu Agarwal	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,000	3,60,000	9,60,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	
	Total (A)	6,00,000	3,60,000	9,60,000
	Ceiling as per the Act	-	-	-

### B .Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	3. Independent Directors	-	-	--	-	-
	· Fee for attending board committee meetings	-	-	-	-	-
	· Commission	-	-	-	-	-
	· Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	4. Other Non-Executive Directors	-	-	-	-	-
	· Fee for attending board committee meetings	-	-	-	-	-
	· Commission	-	-	-	-	-
	· Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

## B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2,40,000	1,80,000	4,20,000
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- Others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	2,40,000	1,80,000	4,20,000

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NONE

## DISTRIBUTION OF 119175500 EQUITY SHARE CAPITAL AS ON :31/03/2017

Nominal Value of Each Share: Rs. 10.00

Share holding Nominal Value (Rs.)	Number of Shareholders	% to Total Numbers	Share holding Amount (Rs.)	% to Total Amount
1	2	3	4	5
Up To 5,000	0	0	0	0
5001 To 10,000	1	0.22	5500	0
10001 To 20,000	2	0.43	40000	0.03
20001 To 30,000	1	0.22	25000	0.02
30001 To 40,000	4	0.87	154000	0.13
40001 To 50,000	33	7.16	1636000	1.37
50001 To 1,00,000	244	52.93	23940000	20.09
1,00,000 and Above	176	38.18	93375000	78.35
<b>Total</b>	<b>461</b>	<b>100</b>	<b>119175500</b>	<b>100</b>



## Annexure-4

### Form AOC-1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries

S. No.	Particulars	Sl. No.- 01	Sl. No.- 02
01	Name	Sanjeevani Fertilizers and Chemicals Pvt. Ltd.	Kanpur Organics Pvt. Ltd.
02	The date since when Subsidiary was acquired	31.03.2014	06.01.2014
03	Reporting Period	01.04.2016-31.03.2017	01.04.2016-31.03.2017
04	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
05	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
06	Share Capital	22,00,000	19,15,000
07	Reserves & Surplus	63649788	16240682
08	Total Assets	123945174	33357668
09	Total Liabilities	123945174	33357668
10	Investments	9360000	8259374
11	Turnover	50544875	39233945
12	Profit before Taxation	7004332	6355144
13	Provision for Taxation	50000	1099058
14	Profit after Taxation	6954332	5256086
15	Proposed Dividend	Nil	Nil
16	Extend of Shareholding (IN %)	51.00 %	94.78 %

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operation: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil



**Annexure:-5**

**Form No. AOC-2**

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

**No Such Transactions taken place during the year under review.**

- |                                                                                                                        |      |
|------------------------------------------------------------------------------------------------------------------------|------|
| (a) Name(s) of the related party and nature of relationship:                                                           | - NA |
| (b) Nature of contracts/arrangements/transactions:                                                                     | - NA |
| (c) Duration of the contracts / arrangements/transactions:                                                             | - NA |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any:                        | - NA |
| (e) Justification for entering into such contracts or arrangements or transactions                                     | - NA |
| (f) Date(s) of approval by the Board:                                                                                  | - NA |
| (g) Amount paid as advances, if any:                                                                                   | - NA |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: | - NA |

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

- |                                                                                                 |      |
|-------------------------------------------------------------------------------------------------|------|
| (a) Name(s) of the related party and nature of relationship:                                    | - NA |
| (b) Nature of contracts/arrangements/transactions:                                              | - NA |
| (c) Duration of the contracts / arrangements/transactions:                                      | - NA |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | - NA |
| (e) Date(s) of approval by the Board, if any:                                                   | - NA |
| (f) Amount paid as advances, if any:                                                            | - NA |

On behalf of the Board of Directors  
**For Raghuvansh Agro Farms Limited**

-Sd-  
**(Subodh Agarwal)**  
Managing Director

**PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A) Details pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

<b>Sl. No.</b>	<b>Requirement of Rule 5(1)</b>	<b>Disclosure</b>
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Mr. Subodh Agarwal (Managing Director) - 5.23 Ms. Renu Agarwal (Director) - 3.14
2	Percentage increase in remuneration of each director, CFO, CEO, CS or Manager in the financial year	Percentage increase in remuneration of:- a) Directors - Nil b) MD - Nil c) CFO - Nil d) CEO - Nil e) Company Secretary - Nil f) Manager - Nil
3	The percentage increase in the median remuneration of employees in the financial year	% increase in the median remuneration of the Employees in the financial year. <b>Nil</b>
4	The number of permanent employees on the rolls of the company	There were 07 employees on permanent roll of the company as on March 31, 2017.
5	The explanation on the relationship between average increase in remuneration and company performance	There is no average increase in the remuneration, the company has made a profit of Rs. 3,65,30,202/- as compared to last year's profit of Rs. 53,96,627/- thereby increment in the profit of the Company is 576.90%.
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	The total remuneration paid to KMP's (MD, CFO and CS) was approx 2.79 % of the net profit for the FY 2016-17 which was based on the terms of the service contract which must be paid for availing there services.
7	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer	Variations in the market capitalization: Rs. Market Capitalization as on 31-03-2016=Rs. 48.74 Crores 31-03-2017=Rs. 62.57 Crores  Price Earnings Ratio (Price/EPS): - As on 31-03-2016-Rs. 0.45 As on 31-03-2017-Rs. 3.07  477.27 % hike in the share price since last IPO price of Rs. 11/- p/s of the company listed on 28.01.2015 in BSE SME Board
8	Average percentile increase already made in the salaries of employees <i>other than</i> the managerial personnel in the last financial year i.e. 2015-16 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	During the year there is no increment in the salaries of the employees other than managerial Personnel in the last financial year.
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company: - MD- 1.56 % (of the Net Profit) CFO- 0.47 % (of the Net Profit) CS- 0.62 % (of the Net Profit)

10	The key parameters for any variable component of remuneration availed by the directors	The Company was not paying variable component of Remuneration to any director during the year.
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	NA
12	Affirmation that the remuneration is as per the remuneration policy of the company	We affirm that the remuneration paid to employees and KMP's was based on the remuneration policy.

B) Details of the every employee of the Company as required pursuant to rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:-

- Drawing salary of 60 Lakhs or above for the year if employed throughout the year -Nil
- Drawing salary of 5 Lakhs p/m or above for a month if employed for part of the year -Nil
- Drawing salary more than the salary of MD and having 2% stake in the company -Nil

C) No Managing Director or Whole-time Director of the Company is receiving any commission from the Company as well as from the Holding Company or Subsidiary Company of the Company.

On behalf of the Board of Directors  
**For Raghuvansh Agro Farms Limited**

-Sd-  
**(Subodh Agarwal)**  
 Managing Director

## GENERAL BODY MEETINGS

(i) Location and time where last three Annual General Meetings were held:

Financial Year	Date	Time	Venue
2013-14	04.08.2014	11.00 AM	201-202, Namdhari Chambers Karol Bagh, New Delhi - 05
2014-15	25.09.2015	01:30 PM	201-202, Namdhari Chambers Karol Bagh, New Delhi - 05
2015-16	24.09.2016	01:30 PM	201-202, Namdhari Chambers Karol Bagh, New Delhi - 05

Shareholding Patterns, Financial results and other Reports are electronically transmitted to the stock Exchange and the documents which are required to be uploaded on the website of the company as per SEBI (LODR) Regulations, 2015 and other applicable regulations, are also uploaded on the website "**www.raghuvanshagro.com**" of the company.

The Company's news releases are displayed on the Company's website as per the requirement of SEBI (LODR) Regulations, 2015 and other applicable rules and regulations.

## GENERAL SHAREHOLDER INFORMATION

AGM : Date, Time & Venue	On 23rd September, 2017 at 01:30 PM, At Reg. Office: 201-202, Namdhari Chambers, Karol Bagh, New Delhi-110005
Financial year	The Financial year under the review covers the following period from 01.04.2016 to 31.03.2017
Date of Book Closure	16.09.2017 to 23.09.2017
Dividend Payment Date	NIL
Listing on Stock Exchange	BSE Limited
Stock Code	BSE : 538921 ISIN: INE865P01016
Market Price Date: High, Low during last Financial Year	Please see Annexure -7
Registrar and Transfer Agent	Skyline Financial Services Pvt. Ltd.
Share Transfer System	All the transfers received are processed by the Registrar and Transfer Agent.
Distribution of Shareholding and Shareholding Pattern as on 31.03.2017	Please see Annexure-3
Dematerialization of Shares and Liquidity	97.72 % of the paid capital are dematerialized as on March 31, 2017
Outstanding GDRs/ADRs/ Warrants or any Convertible instruments conversion date and likely impact on equity	Not Issued
Plant Locations	1. Gram Kapli, Tehsil Kanpur, Zila Kanpur Nagar 2. Village Gaur Pathak, Thesil Pokhrayan, District Ramabai Nagar (Old Kanpur Dehat).
Address for correspondence	Corp. Office: 16/19-A, Civil Lines, Kanpur-208001, Uttar Pradesh Email Id. : raghuvanshagro@gmail.com Tele. : 0512-3071470-71

## Annexure-7

### SHARE PRICE DATA

Month	High (Rs.)	Low(Rs.)	Volume (Nos.)
June 2016	40	40	7500
July 2016	40	32.40	55000
Aug 2016	47	38	117500
Sep 2016	70	47	82500
Oct 2016	68.50	44.10	160000
Nov 2016	53	53	5000
Dec 2016	69	50	25000
Jan 2017	53	50	20000
Feb 2017	75	48	47500
Mar 2017	101	52.50	1075000

**Note:** Company got listed on BSE SME Platform on January 28, 2015.



## CEO/CFO CERTIFICATION

To,  
The Board of Directors,  
Raghuvansh Agro Farms Limited

We have reviewed the financial statements and the cash flow statement of Raghuvansh Agro Farms Limited for the year ended 31<sup>ST</sup> March, 2017 and that to the best of our knowledge and belief, we state that;

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes, if any, in the internal control over financial reporting during the year.
  - (ii) Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kanpur  
Date: 30.05.2017

-Sd-  
(Devendra Pratap Singh)  
**Chief Financial Officer**

-Sd-  
(Subodh Agarwal)  
**Managing Director**



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF RAGHUVANSH AGROFARMS LIMITED**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **RAGHUVANSH AGROFARMS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information,

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

## **Emphasis of Matters**

We draw attention to the following matters in the Notes to the financial statements:

- i) Para No. 5 pertaining to Related Party Disclosure. And
- ii) Para No. 8 pertaining to Disclosure in Two Subsidiary Companies.
- iii) Para No. 10 pertaining to Non-Insurance of Livestock.

Our opinion is not modified in respect of these matters.

## **Other Matter: NIL**

Our opinion is not modified in respect of this matter.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by The Central Government Of India in terms of section 143(11) of the Act, we give in the Annexure – A, a statement on matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from the branches not visited by us].
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note XX to the financial statements; [or the Company does not have any pending litigations which would impact its financial position]
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer note 11 to the standalone financial statements.

**For Naval Kapur & Co.**  
Chartered Accountants  
(FRN:05851C)

CA Naval Kapur  
(Partner)  
(Membership No.074587)  
**Place:** Kanpur  
**Date:** 30/05/2017



## Report under Companies (Auditors' Report) Order, 2016

**RAGHUVANSH AGROFARMS LIMITED**

**CIN: U40300DL1996PLC258176**

### **Annexure A to the Auditors' Report**

The Annexure referred to in our report to the members of **RAGHUVANSH AGROFARMS LIMITED** for the year ended on March 31' 2017.

#### **We report that:**

#### **Clause (i):**

**(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets?**

#### **Auditors' Remarks:**

Yes. Proper records have been maintained by the company showing full particulars including quantitative details of Fixed Assets.

**(b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account?**

#### **Auditors' Remarks:**

Yes. The management has been verifying the fixed assets physically at reasonable intervals and no material discrepancies were noticed on such verifications.

**(c) Whether all the immovable properties in the name of company?**

#### **Auditors' Remarks :**

According to the information and explanations given to us and on the basis of our examination of the records of the Company, following immovable properties are in the possession of the company:-

LESSOR	ADDRESS OF PROPERTY	AGREEMENT DATE	REMARK
Sanjeevani Fertilizers and chemicals (P) Ltd.	Village- Gaur Pathak, The Pokhrayan District-Ramabai Nagar- Bhoginpur- Old Kanpur	01.10.2014	This property is on lease and the lease agreement is in the name of the company
MP Audyogik Kendra Vikas Nigam (Indore) Limited	Free Press House , 1 <sup>st</sup> Floor, 3/54 Press Complex, Agra-Mumbai Marg Indore(M.P)-452008	02.05.2015	This property is on lease and the lease agreement is in the name of the company.

None of the properties as mentioned above have actually been acquired by the company. They are on lease. However, the lease agreements for both the properties are in the company.

#### **Clause (ii):**

**(a) Whether physical verification of inventory has been conducted at reasonable intervals by the management?**

#### **Auditors' Remarks:**

Yes. The management has conducted physical verification of inventories at reasonable intervals and no discrepancies were noticed on such verifications.

**(b) Are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business? If not, the inadequacies in such procedures should be reported.**

**Auditors' Remarks:**

Yes. In our opinion the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company.

**(c) Whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;**

**Auditors' Remarks:**

Yes. Proper records of inventory have been maintained by the company and no material discrepancies have been noticed on its physical verification.

**Clause (iii): Whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so,**

**(a) Whether receipt of the principal amount and interest accrued also regular; and**

**Auditors' Remarks:**

Yes. The company has given loans to two of its subsidiaries as below:-

Loan To	Repayment Start Date	Amount of Loan (Rs.)	Rate OF Interest
Kanpur Organics (P) Ltd	01.07.2018	20113500.00	Non-Interest Bearing
Sanjeevani Fertilizers (P) Ltd	01.07.2018	41365000.00	Non-Interest Bearing

The company has started receiving the principal amount of such loans before the repayment starting date, according to the Loan Agreements in both the cases is 01.07.2018.

The principal outstanding of Loan as at 31.03.2017 is :

Kanpur Organics (P) Ltd.	Rs. 41,71,500.00
Sanjeevani Fertilizers (P) Ltd	Rs. 3,73,45,000.00

**(b) If overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest;**

**Auditors' Remarks:**

There is no overdue amount towards the principal.

**Clause (IV): Whether in respect of loans and advances, the Company has complied with the provisions of Sections 185 and 186 of the Act**

**Auditors' Remarks:**

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans and investments made.

**Clause (V): In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, the nature of**

contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?

**Auditors' Remarks:**

Company has not accepted any deposit from the public during the year.

**Clause (VI):** Where maintenance of cost records has been specified by the Central Government under subsection(1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained?

**Auditors' Remarks:**

Maintenance of cost records has not been specified Central Government under subsection (1) of section 148 of the Companies Act.

**Clause (VII):** Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated.

**Auditors' Remarks:**

Yes. The company is regular in depositing all such undisputed statutory dues with the appropriate authorities.

**(b) in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).**

**Auditors' Remarks:**

There are no such disputed dues.

**Clause (VIII):** Whether the company has defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders? If yes, the period and the amount of default to be reported. (In case of defaults to banks, financial institutions, and government, lender wise details to be provided).

**Auditors' Remarks:**

The Company does not have loans and borrowings from financial institution, bank, and government during the year. Therefore, this clause of order is not applicable.

**Clause (IX):** Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purpose for which those were raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported.

**Auditors' Remarks:**

The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the term loans during the year. Therefore, this clause is not applicable.

**Clause (X):** Whether any fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year. If yes, the nature and the amount involved is to be indicated.

**Auditors' Remarks:**

According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

**Clause (XI): whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same; Whether term loans were applied for the purpose for which the loans were obtained?**

**Auditors' Remarks:**

According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**Clause (XII): Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability.**

**Auditors' Remarks:**

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

**Clause (XIII): Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;**

**Auditors' Remarks:**

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

**Clause (XIV): Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of noncompliance;**

**Auditors' Remarks:**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

**Clause (XV)**

**Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with.**

**Auditors' Remarks:**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



**Clause(XVI):Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.**

**Auditors' Remarks:**

The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

**For Naval Kapur & Co.  
Chartered Accountants  
FRN:005851C**

**CA Naval Kapur  
Chartered Accountant  
Membership No.:074587**

**Place:Kanpur  
Date:-30/05/2017**





## **Annexure B to the Auditors' Report**

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **RAGHUVANSH AGROFARMS LIMITED** ('the Company') as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and



dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Naval Kapur & Co.  
Chartered Accountants  
FRN:005851C**

**CA Naval Kapur  
Chartered Accountant  
Membership No.:074587**

**Place:Kanpur  
Date:-30/05/2017**

**RAGHUVANSH AGROFARMS LIMITED**  
**BALANCE SHEET AS AT 31.03.2017**

		Amount (Rs.)	
Particulars	Note No	2016-17	2015-16
<b>EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	119175500	119175500
(b) Reserve & Surplus	2	133743752	97340725
( c) Money Received against share warrants		0	0
(d) Minority Interest		0	0
<b>(2) Share application money pending allotment</b>		0	0
<b>(3) Non- Current Liabilities</b>			
(a) Long Term borrowings	3	0	0
(b) Deffered tax liabilities		0	0
( c) Other long term liabilities	3	0	0
(d) Long term provisions	4	0	0
<b>(4) Current liabilities</b>			
(a) Short term borrowings	3	0	0
(b) Trade payable	3	119000	187761
( c) Other current Liabilities	3	1357881	0
(d) Short Term provisions	4	1108830	959064
<b>TOTAL</b>		<b>255504963</b>	<b>217663050</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets	5	54223174	53408770
(ii) Intangible assets	5	0	0
(iii) Capital work in progress	5	0	0
(iv) Intangible assets under development		0	0
(b) Non- current investments	6	74437026	75340026
( c) Deffered Tax Assets (net)	0	36637	1096115
(d) Long term loans & advances	11	0	0
(e) Other non-current assets	10,11	41516500	61478500
<b>(2). Current assets</b>			
(a) Current investment	7	0	0
(b) Inventories	8	12660283	2106622
( c) Trade Receivables	10	28548331	7581052
(d) Cash & cash equivalents	9	2314330	720128
(e) Short term loans and advances	11	41768682	15931837
(f) Other current assets	11	0	0
<b>TOTAL</b>		<b>255504963</b>	<b>217663050</b>

**Notes to Accounts - 18**

Figures have been rounded off to the nearest rupee  
"As per our report of even date attached".

**For M/S Naval Kapur & Co.**  
Chartered Accountants,

**For Raghuvansh Agro farms Limited**

(CA. Naval Kapur)  
Partner  
M.N. - 074587.  
FRN-005851C

Subodh Agarwal  
(Managing Director)  
Din : 00122844

Renu Agarwal  
(Director)  
Din : 01767959

Place: Kanpur  
Date : 30.05.2017

Devendra Pratap Singh  
(Chief Financial Officer)

Rajit Verma  
(Company Secretary)

**RAGHUVANSH AGROFARMS LIMITED**  
**Profit and Loss statement for the year ended 31st March 2017**

Amount(Rs.)			
Particulars	Note No.	2016-17	2015-16
I. Revenue from operations	12	74326569	20437756
II. Other Income	13	897707	0
<b>III.Total Revenue(I+II)</b>		<b>75224276</b>	<b>20437756</b>
<b>IV. EXPENSES:</b>			
Cost of material consumed	14	9197608	4931883
Purchase of Stock- in-Trade		18519802	0
Changes in inventories of finished goods, work in progress and stock-in- Trade		-9901535	536614
Employee benefit expense	15	988418	1026600
Financial Cost	16	32437	24094
Depreciation and amortization expense	5	5620178	1216628
Other Expenses	17	12277688	6622484
<b>IV.Total Expenses</b>		<b>36734596</b>	<b>14358303</b>
V. Profit before exceptional and extarordinary items and tax	(III-IV)	38489680	6079453
VI.Exceptional Items		0	0
VII. Profit before extraordinary items and tax	(V-VI)	38489680	6079453
VIII. Extraordinary Items		0	0
IX. Profit before tax	(VI-VIII)	<b>38489680</b>	<b>6079453</b>
X. Tax Expense:			
(1) Current Tax		900000	500000
(2) Deferred Tax		1059478	182826
XI. Profit(Loss) from the period continuing operations	(IX-X)	36530202	5396627
XII. Profit/(Loss) from discontinuing operations		0	0
XIII. Tax expense of disconting operations		0	0
XIV. Profit/(Loss) from discontinuing operations	(XI-XIII)	0	0
XV. Profit/(loss) for the period	(XI- XIV)	36530202	5396627
XVI. Share of results of Associates		0	0
XVII. Minority Interest		0	0
XVIII. Profit/(loss) for the period	(XV+XVI+XVII)	<b>36530202</b>	<b>5396627</b>
XIX. Earning per equity share:			
(1) Basic		3.07	0.45
(2) Adjusted		3.07	0.45
(3) Dilluted		3.07	0.45

**Notes to Accounts - 18**

Figures have been rounded of to the nearest rupee  
 "As per our report of even date attached".

**For M/S Naval Kapur & Co.**  
 Chartered Accountants,

**For Raghuvansh Agro farms Limited**

(CA. Naval Kapur)  
 Partner  
 M.N.- 074587.  
 FRN-005851C

Subodh Agarwal  
 (Managing Director)  
 Din : 00122844

Renu Agarwal  
 (Director)  
 Din : 01767959

Place: Kanpur  
 Date : 30.05.2017

Devendra Pratap Singh  
 (Chief Financial Officer)

Rajit Verma  
 (Company Secretary)



**RAGHUVANSH AGROFARMS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit Before Tax	38,489,680	6,079,453
	<b>Add/(Less) Adjustment for:</b>		
	Depreciation	5,620,178	1,216,628
	Provision for Standard assets	-	-
	<b>Operating Profit Before Working Capital Changes</b>	<b>44,109,858</b>	<b>7,296,081</b>
	<b>Add/(Less): Adjustments for Working Capital changes :</b>		
	Trade and other Receivables	(20,967,279)	(5,539,725)
	loan and advances	(25,836,845)	(9,352,872)
	Inventories	(10,553,661)	628,516
	Trade Payable & Other Liabilities	1,438,886	17,598
	Other Current Assets	-	-
	Cash generated Form Operations	(11,809,041)	(6,950,402)
	Tax Paid (Net)	(1,027,175)	(500,000)
	<b>Net Cash Flow From Operating Activities</b>	<b>A (12,836,216)</b>	<b>(7,450,402)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	(6,434,582)	(5,467,935)
	Loan Refund Received	19,962,000	(10,024,117)
	Issue of shares	-	-
	Investment in Shares and Chit Funds	903,000	-
	<b>Net Cash Flow from Investing Activities</b>	<b>B 14,430,418</b>	<b>(15,487,052)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Increase/(Decrease) in Secured Loans	-	(55,357)
	Securities Premium	-	-
	Increase/(Decrease) in Unsecured Loans	-	-
	<b>Net Cash Flow from Financing Activities</b>	<b>C -</b>	<b>(55,357)</b>
	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>1,594,202</b>	<b>(22,992,811)</b>
	<b>Opening Cash &amp; Cash Equivalent:</b>	<b>720,178</b>	<b>23,712,939</b>
	<b>Closing Cash &amp; Cash Equivalent:</b>	<b>2,314,330</b>	<b>720,128</b>

For M/S Naval Kapur & Co.  
Chartered Accountants,

For Raghuvansh Agro farms Limited

(CA. Naval Kapur)  
Partner  
M.N.- 074587.  
FRN-005851C

Subodh Agarwal  
(Managing Director)  
Din : 00121844

Reru Agarwal  
(Director)  
Din : 01767959

Place: Kanpur  
Date : 30.05.2017

Devendra Pratap Singh  
(Chief Financial Officer)

Rajit Verma  
(Company Secretary)



## **RAGHUVANSH AGROFARMS LIMITED**

### **ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

#### **Corporate Information**

Raghuvansh Agrofarm Limited is a Limited Company in India and incorporated under the provisions of the Companies Act, 1956. It came into existence on 19.12.1996. The company is primarily engaged in manufacturing and trading of agro products.

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **1. Basis of Preparation**

The Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material aspects, with the Accounting Standards notified under the Companies relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policy, if any.

##### **2. Uses of Estimates**

The preparation of the Financial Statements in conformity with Indian GAAP requires Management to make Judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures relating to contingent assets and liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in material or immaterial adjustments to the carrying amounts of assets or liabilities in future periods.

##### **3. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Income is accounted for on accrual basis in accordance with the Accounting Standards (AS) 9- "Revenue Recognition".

Insurance and other claims are recognized in accounts on lodgment to the extent these are measurable with reasonable certainty of acceptance. Excess/ shortfall is adjusted in the year of receipt.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

##### **4. Inventories**

Inventories are valued at cost, computed on a First-in-First-out (FIFO) basis, and estimated net realizable value whichever is lower. In respect of finished goods and work in process, appropriate overheads are loaded.

## **5. Tangible Fixed Assets**

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any subsidy/ reimbursement/ contribution received for installation and acquisition of any fixed assets is shown as deduction in the year of receipt. Capital work- in- progress is stated at cost.

The Company's livestock comprise of dairy cattle. Livestock are initially recognised at cost. The cost of newborn calf is assumed to be nil similarly cost of dead cattles to be assumed to be nil. At each reporting date fair value of livestock is compared with carrying value and any material variations are recognized through profit and loss statement.

## **6. Depreciation**

Depreciation on assets is provided on the rates arrived at, based on the useful life estimated by the management/prescribed under the Schedule II of the Companies Act, 2013.

Depreciation on fixed assets added/disposed off during the year/period is provided on pro-rata basis with reference to the date of addition/disposal.

## **7. Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalized and expensed off in the Statement of Profit and Loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

## **8. Borrowing Cost**

Borrowing cost includes interest. Such costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

## **9. Taxes on Income**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax Laws used to compute the amounts are those that are enacted, at the reporting date.

Deferred Taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences



for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets including the unrecognized deferred tax assets, if any, at each reporting date, are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date and are adjusted for its appropriateness.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the *Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961*, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

## **10. Employee Benefits**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

**Defined contribution plan:** Company's contribution towards provident fund is recognized in the profit and loss account.

## **11. Investment**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in values is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

## **12. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluting potential equity shares.

## **13. Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

## **14. Provisions, Liabilities & Contingent Assets**

### **a. Provisions**

A provision is recognized when the company has present obligations as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate can be made of amount of the obligation. Provisions are not discounted at their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### **b. Contingent Liabilities**

A Contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

## **15. Leases**

### **Where the company is Lessee**

Assets taken on lease, under which the lessor effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expense in the statement of profit and loss account.

Assets acquired under leases where all the risks and rewards of ownership are substantially transferred to company are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

### **Where the company is Lessor**

Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and Loss as revenue from operation. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

## **NOTES TO ACCOUNTS AS AT 31.03.2017**

### **1. TERMS/ RIGHT ATTACHED TO EQUITY SHARES**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- 2. Capital Commitment (net of advances) Rs. nil (Previous year Rs. nil).**
- 3. As per the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify the Micro, Small and Medium Enterprises and pay them interest**

on amounts overdue beyond the specified period irrespective of the terms agreed with them.

S. N o.	Particulars	As at 31.03.2013	As at 31.03.2014	As at 31.03.2015	As at 31.03.2016	As at 31.03.2017
A	Principal amount remaining unpaid	NIL	NIL	NIL	NIL	NIL
B	Interest due thereon	NIL	NIL	NIL	NIL	NIL
C	Interest paid by the Company in term of Section 16	NIL	NIL	NIL	NIL	NIL
D	Interest due and payable for the period of delay in payment	NIL	NIL	NIL	NIL	NIL
E	Interest accrued and remaining unpaid	NIL	NIL	NIL	NIL	NIL
F	Interest remaining due and payable even in succeeding years	NIL	NIL	NIL	NIL	NIL

4. The balances of creditors/Trade payables and debtors/ Trade receivables appearing in the balance sheet are subject to balance confirmation/ reconciliation at the year end. The management is in the process of obtaining the respective confirmations in the due course. However, the reconciliation of these balances is not expected to result in any material adjustments in the stated balances.

**5. Related Party Disclosures for the period ended 31<sup>st</sup> March, 2017 (Standalone) in accordance with AS - 18 issued by The ICAI**
**a) List of related parties & relationships, where control exists.**

<b>Sr. No.</b>	<b>Nature of Relationship</b>	<b>Name of Parties</b>
1	Holding Company	Nil
2	Subsidiary Company	Kanpur Organics Pvt. Ltd. Sanjeevani Fertilizers and Chemicals Pvt. Ltd.
3	Associates	Nil
4	Key Management Personnel	Mr. Subodh Agarwal ( Managing Director) Mr. Rajit Verma (Company Secretary) Mr. Devendra Pratap Singh (Chief Financial Officer)
5	Relatives of Key Management Personnel	Nil
6	Enterprises where Significant Influence exist by Key Management Personnel	Nil

**b) Transactions with Related Parties**
**(Amount in Rs.)**

<b>Sr. No.</b>	<b>Transactions</b>	<b>Holding Company</b>	<b>Subsidiary Company</b>	<b>Associates</b>	<b>Key Management Personnel / Individuals</b>	<b>Relatives of Key Management Personnel</b>	<b>Enterprises where Significant Influence exist by Key Management Personnel</b>
1	Remuneration	Nil (Nil)	Nil (Nil)	Nil (Nil)	9,60,000 (8,40,000)	Nil (Nil)	Nil (Nil)
2	Purchase of Finished Material	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
3	Purchase of Raw Material	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
4	Purchase of Capital Items	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
5	Purchase of Shares	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
6	Repairing & Machining	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
7	Rent	Nil (Nil)	70,000 (60,000)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
8	Revenue (Travelling exp.)	Nil	Nil	Nil	Nil	Nil	Nil

		(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
9	Sale	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
10	Share Capital	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
11	Loan	Nil (Nil)	4,15,16,500 (6,14,78,500)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
12	<b><u>Outstanding as on 31.03.2017</u></b>						
	a) Amount Receivable	Nil (Nil)	4,15,16,500 (6,14,78,500)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
	b) Amount Payable	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
	c) Share Application Money	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
	d) Guarantee given	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
	e) Guarantee taken	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

**Note:**

- a) Figures in bracket represent previous year/Period amounts.
- b) No amount have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.

**6. Taxation**

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with provisions of the Income tax Act, 1961.

7. Loans to Related Party presented under Note 11 to Financial Statements are on interest free basis. Repayment will commence from Financial Year 2018-19.
8. During the Period, company has maintained 94.78% shareholding in 'Kanpur Organics Private Limited' which is engaged in manufacturing of Organic Fertilizers and Crude Wax from Sugarcane Press Mud and The company also holds 51% shares in 'Sanjeevani Fertilizers and Chemicals Private Limited' which will start the manufacturing of Refined Wax from Crude Wax from the next financial year.

## 9. Remuneration to Auditors

Amount in (Rs.)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Audit Fee	12,000	12,000	29,214	57,500	69,000
Other Matters	Nil	Nil	Nil	Nil	Nil

10. Live stocks are not insured.

11. Note-Details of Specified Bank Notes(SBN) held and transacted during the period 08.11.2016 to 30.12.2016

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	1,41,00,000	30,515	1,41,30,515
(+) Permitted Receipts	00	18,65,015	18,65,015
(-) Permitted Payments	00	13,82,367	13,82,367
(-) Amount deposited in Bank	1,41,00,000	00	1,41,00,000
Closing Cash in Hand as on 30.12.2016	00	5,13,163	5,13,163

## 12. Segment Reporting

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard – 17 Segment Reporting.

**For Naval Kapur & Co**  
**Chartered Accountants**  
**FRN 005851C**

**For Raghuvansh Agro Farms Ltd.**

**(Naval Kapur)**  
**(Director)**  
**Partner**  
**Membership No. 074587**

**(Managing Director)**

**Date: 30-05- 2017**  
**Place: Kanpur**



## Notes Forming Part of the Financial Statement

### NOTE-1

#### Share Capital

PARTICULAR	2016-17	2015-16
Authorised Capital 12300000 Shares @ Rs.10/- each (Previous Year 12300000 shares of Rs.10/-each)	12,30,00,000	12,30,00,000
Issued, Subscribed & fully paid up Capital 11917550 shares of Rs.10/- each (Previous Year 11917550 shares of Rs.10/-each)	119175500	119175500
	119175500	119175500

#### Share Capital Schedule (No. of shares Outstanding)

Particulars	31-Mar-17		31-Mar-16	
	Nos.	Amount	Nos.	Amount
Opening number of Shares Outstanding	11917550	119175500	11917550	119175500
Add: Allotment during the year	0	0	0	0
Less: buyback/cancellation of shares	0	0	0	0
Outstanding shares at the end of the period	11917550	119175500	11917550	119175500

#### Detail of Shareholders Holding more than 5 percent Shares

Name of the Shareholders	No.of shares	% Shareholding
Subodh Agarwal	981550	8.24
Model kings Safetywear Ltd.	1000000	8.39

Note 2:- Reserve & surplus		2016-17	2015-16
(A) Securities Premium	As per last Balance sheet	86135500	86135500
	Add: Received During the year	0	0
	less: utilised during the year	0	0
		<b>86135500</b>	<b>86135500</b>
(b) General Reserve	As per last Balance Sheet	2265185	2265185
	Add: Profit/(loss) for the year	0	0
	less: Income tax paid adjusted	0	0
		<b>2265185</b>	<b>2265185</b>
(c) Foreign Currency Translation Reserve		<b>0</b>	<b>0</b>
(d) Surplus in the statement of Profit & Loss Account	As per last Balance Sheet	8940040	3543413
	Add: Profit for the year	36530202	5396627
	Less: Appropriations	127175	0
	less: Assets w/o	0	0
	Proposed Dividend	0	0
	Tax on dividend	0	0
	Transfer to general reserve	0	0
	<b>Net surplus in the statement of profit and loss account</b>	<b>45343067</b>	<b>8940040</b>
<b>Total Resesrve &amp; Surplus</b>		<b>133743752</b>	<b>97340725</b>

Note 3	Current		Non-Current	
Liabilities	2016-17	2015-16	2016-17	2015-16
a)Borrowings				
Secured				
i. Loans				
-From banks;	0	0	0	0
-From other parties	0	0	0	0
ii. Loans and advances from related Parties	0	0	0	0
iii.Deposits	0	0	0	0
iv. Other Loans and advances	0	0	0	0
	0	0	0	0
Unsecured				
i. Loans				
-From banks;	0	0	0	0
-From other parties	0	0	0	0
ii. Loans and advances from related Parties	0	0	0	0
iii.Deposits	0	0	0	0
iv. Other Loans and advances	0	0	0	0
	0	0	0	0
b)Trade payables	119000	187761	0	0
c)Other Liabilities				
Unpaid Dividends	0	0	0	0
Other Payables	1357881	0	0	0
	1357881	0	0	0
Note 4				
Provisions				
Tds payable	29781	23432	0	0
Audit Fees payable	63000	52500	0	0
Income tax payable	900000	634835	0	0
Other Payable	116049	248297	0	0
	1108830	959064	0	0

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	01.04.16	ADDITION	DELETION/ADJ.	Total	01.04.15	During Yr.	ADJ.	Total	31.03.17	31.03.16
A) Intangibles:										
Goodwill	0	0	0	0	0	0	0	0	0	0
Software	0	0	0	0	0	0	0	0	0	0
Trademark	0	0	0	0	0	0	0	0	0	0
B) Tangibles										
CAPITAL WORK IN PROGRESS										
Bio gas plant (Bhogampur)	12172121	0	12172121	0	0	0	0	0	12172121	0
Iron & Iron structure	6552264	0	6552264	0	0	0	0	0	6552264	0
shed construction	3674924	0	3674924	0	0	0	0	0	3674924	0
TOTAL (A)	22399309	0	22399309	0	0	0	0	0	22399309	0
Agriculture Implement	132041	0		132041	93899	8006	0	101905	30136	38142
Air Conditioner	244813	35000		279813	232572	1858	0	234430	45383	12241
Bio gas plant	2574735	22399309		24974044	847703	4366868	0	5214571	19759473	1727032
car	3152018	0		3152018	1841137	412613	0	2253750	898268	1310881
Computer	263667	16566		280253	145737	83269	0	229006	51247	117950
Diesel Engine	40250	0		40250	28121	2442	0	30563	9687	12129
Furniture & Fixtures	160583	0		160583	81714	19920	0	101634	58949	78869
Live Stock (Cattle)	15336000	0		15336000	0	0	0	0	15336000	15336000
Loader	187000	0		187000	174012	670	0	174682	12318	12988
Motorcycle	91905	0		91905	31438	15660	0	47098	44807	60467
Office Equipment	86500	0		86500	6908	35871	0	42779	43721	79592
Plant & Machinery	247276	6326016		6573292	147422	640747	0	788169	5785123	99854
Property (MP)	11942623	57000		11999623	0	0	0	0	11999623	11942623
Pump Set	202844	0		202844	47434	28376	0	75810	127034	155410
Tractor	428100	0		428100	402817	3878	0	406695	21405	25283
TOTAL (B)	35090375	28833891	0	63924266	4080914	5620178	0	9701092	54223174	31009461
Grand Total (A+B)	57489684	28833891	22399309	63924266	4080914	5620178	0	9701092	54223174	53408770
Previous Year	52026749	5462935	0	57489684	2864286	1216628	0	4080914	53408770	49162463



#### Note 6

Non Current Investments	2016-17	2015-16
a) Investment Property	0	0
b) Investments in Equity Instruments	0	0
Quoted Investments		
Other unquoted investments	74437026	75340026
	<b>74437026</b>	<b>75340026</b>

Aggregate amount of quoted investment(Market Value)	0	0
Aggregate amount of Unquoted investment	74437026	75340026
Value of Investment Property	0	0

#### Note 7

Current Investments	2016-17	2015-16
a) Investment Property	0	0
b) Investments in Equity Instruments		
Quoted Investments	0	0
other unquoted investments	0	0
	<b>0</b>	<b>0</b>

Aggregate amount of quoted investment(Market Value)	0.00	0.00
Aggregate amount of Unquoted investment	0.00	0.00

### Note 8

Inventories	Current		Non- Current	
	2016-17	2015-16	2016-17	2015-16
a) Raw Materials	670224	18098	0	0
b) Work- in progress	4289311	1911317	0	0
c) Finished goods	7700748	177207	0	0
d) Stock in trade	0	0	0	0
e) Stores & Spares	0	0	0	0
f) Loose Tools	0	0	0	0
<b>TOTAL</b>	<b>12660283</b>	<b>2106622</b>	<b>0</b>	<b>0</b>

### Note 9

Cash & Cash Equivalents	Current		Non- Current	
	2016-17	2015-16	2016-17	2015-16
<b>a) Balances with Banks</b>				
On current accounts	1061388	655626	0	0
On Margin Money	0	0	0	0
On unpaid dividend account	0	0	0	0
Deposits with banks maturity less than 12 months	0	0	0	0
	<b>1061388</b>	<b>655626</b>	<b>0</b>	<b>0</b>
<b>b) Cheques, drafts on hands</b>	0	0	0	0
<b>c) Cash on Hand</b>	1252942	64502	0	0
	<b>2314330</b>	<b>720128</b>	<b>0</b>	<b>0</b>

# Note 10

	Current		Non- Current	
Trade Receivable	2016-17	2015-16	2016-17	2015-16
Unsecured considered good	28548331	7581052	0	0
Outstanding exceeding six months				
Others	0	0	0	0
	28548331	7581052	0	0
Less: Provision for doubtful debts	0	0	0	0
<b>TOTAL</b>	<b>28548331</b>	<b>7581052</b>	<b>0</b>	<b>0</b>

# Note 11

	Current		Non-current	
Loans & Advances	2016-17	2015-16	2016-17	2015-16
a) Loans & Advances to Related parties	0	0	41516500	61478500
b) Other Advances				
Loans	0	0	0	0
Advances, secured considered good	0	0	0	0
Advances, unsecured considered good	40765512	15431837	0	0
Less: Provision for doubtful advance	0	0	0	0
Advance income tax	952238	500000	0	0
Advance Indirect Taxes	50932	0	0	0
Other Receivables				
Unsecured considered good	0	0	0	0
Outstanding exceeding six months				
Other Non Current Assets	0	0	0	0
Capital Advances	0	0	0	0
Deposits secured, considered good	0	0	0	0
Deposits unsecured, considered good	0	0	0	0
<b>TOTAL</b>	<b>41768682</b>	<b>15931837</b>	<b>41516500</b>	<b>61478500</b>



**NOTE-12**  
**Revenue From Operations**

Particulars	2016-17	2015-16
Sale	74326569	20437756
Less :-Taxes	0	0
	<b>74326569</b>	<b>20437756</b>

**NOTE-13**  
**Other Income**

Particulars	2016-17	2015-16
Interest Income	561033	0
Discount	36109	0
Profit on Sales of Investment	72000	0
Short Term Capital Gain	228565	0
	<b>897707</b>	<b>0</b>

**NOTE-14**  
**Cost Of Material Consumed**

Particulars	2016-17	2015-16
Opening Stock	18098	110000
Add- Purchase During the Year	9849734	4839981
Less:-Closing Stock	670224	18098
	<b>9197608</b>	<b>4931883</b>

**NOTE-15**  
**Employee Benefit Exp**

Particulars	2016-17	2015-16
Salary & Wages	899600	1026600
Staff welfare	88818	0
	<b>988418</b>	<b>1026600</b>

**NOTE-16**  
**Finance Cost**

Particulars	2016-17	2015-16
Bank Charges	27132	23062
Interest Exp	5305	1032
	<b>32437</b>	<b>24094</b>

**NOTE-17**  
**Other Expenses**

Particulars	2016-17	2015-16
Advertisement Exp	0	2287
Agriculture Expenses	1264085	1362703
Audit Fee	69000	57500
Business Promotion Exp	844182	5000
Dairy Expenses	992187	957445
Depository Charges	103050	108724
Director Salary	960000	840000
Donation	205100	11201
Electricity Exp	30770	27385
Insurance Exp	49487	42498
Listing Exps	55811	41577
Manure Expenses	5486455	507943
Misc.Exp	15591	133895
Power & Fuel	144686	251108
Professional Exp	334083	116754
Rent & Taxes	907758	526100
Repair and maintenance	53535	140526
ROC Filing fees	11800	6300
Royalty Exp	288880	0
TDS Interest	2727	5356
Telephone Exp	21036	35831
Travelling & Conveyance Expenses:		
Inland	413494	770746
Foreign	0	660421
Website Maintenance Charges	23971	11184
	<b>12277688</b>	<b>6622484</b>

## **AUDITOR'S REPORT**

**To,  
The Members,  
RAGHUVANSH AGROFARMS LIMITED  
Kanpur.**

### **Report on the consolidated financial statements**

1. We have audited the accompanying Consolidated Financial Statements of **RAGHUVANSH AGROFARMS LIMITED** ( hereinafter referred to as the Holding Company ) and its subsidiaries ( the holding company and its subsidiaries together referred to as the Group) **SANJEEVANI FERTILIZERS AND CHEMICALS PVT. LTD.** and **KANPUR ORGANICS PVT. LTD.** comprising of consolidated balance sheet as at 31<sup>st</sup> march 2017, the consolidated statement of Profit and Loss Account and also the consolidated cash flow statement for the year then ended, and the summary of significant accounting policies and other explanatory information prepared based on the relevant records (herein after referred to as the Consolidated Financial Statements).

### **Management's responsibility for the consolidated financial statements.**

2. The holding company's board of directors are responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India including the accounting standards specified under section 133 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors are responsible for maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the holding company, as aforesaid.

### **Auditors Responsibility**

3. Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **Opinion.**

7. In our opinion and to the best of our information and according to the explanation given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a fair view in conformity with accounting principles generally accepted in India, of the consolidated state of affairs of the company, as at March 31 2017, and their Consolidated Profit and their Consolidated Cash Flows for the year ended on that date.

#### **8. Emphasis of Matters**

We draw attention to the following matters in the Notes to the financial statements:

- iv) Para No. 5 pertaining to Related Party Disclosure. And
- v) Para No. 7 pertaining to Interest free loans given to Interested Parties .
- vi) Para No. 11 pertaining to Non-Insurance of Livestock.
- vii) Para No. 13 pertaining to disclosure of Related Parties .

Our opinion is not modified in respect of these matters.

#### **Other matter.**

9. We did not audit the financial statement / financial information of two subsidiaries whose financial information's reflect total assets of **Rs. 97119949.00** and net assets of **Rs. 81353635.00** as at 31<sup>st</sup> March 2017. Total revenue of **Rs.89778820.00** net profit of **Rs.12210418.00** and net cash flows amounting to **Rs.(4813570.00)** for the year ended on that date, as considered in the consolidated financial statements. These financial statement / financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosure included in respect of these subsidiaries and our report in terms of sub sections 3 and 11 of section 143 of that insofar as it relate to the aforesaid subsidiary is based solely on the reports of the other auditors our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below, is not modified in the above matters with respect to our reliance on the work done and report of the auditors.

#### **Report on other legal and regulatory requirements**

10. As required by sub-section 3 of section 143 of the Act, we report, to the extent applicable, that :

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and believe were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the consolidated statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 .
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31<sup>st</sup> 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31 2017 from being appointed as a director of that company in terms of sub-section 2 of section 164 of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in Annexure A; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information to the explanation given to us :
  - (i) The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group.
  - (ii) The Group did not have any material foreseeable losses on long-term contracts including derivate contracts as at 31<sup>st</sup> March 2017.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor's Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India.

**For Naval Kapur & Co.**

Chartered Accountants

FRN: 05851C

**CA Naval Kapur**

[Partner]

[Mem. No.-074587]

Place : Kanpur

Date : 30/05/2017





## **Consolidated Report under Companies (Auditors' Report) Order, 2015**

### **RAGHUVANSH AGROFARMS LIMITED**

**(Holding Company- CIN: U40300DL1996PLC258176)**

**SANJEEVANI FERTILIZERS AND CHEMICALS PVT.LTD.**

**(Subsidiary Company – CIN: U74120UP2010PTC041812)**

**KANPUR ORGANICS PVT.LTD.**

**(Subsidiary Company – CIN: U24110UP2007PTC032815)**

### **Annexure to the Consolidated Auditors' Report**

The Annexure referred to in our report to the members of **RAGHUVANSH AGROFARMS LIMITED, SANJEEVANI FERTILIZERS AND CHEMICALS PVT. LTD., KANPUR ORGANICS PVT. LTD.**(collectively referred as **GROUP COMPANIES**)for the year ended on March 31, 2017.

### **Report on the Internal Financial Controls under Clause (i) of sub-section 143 of the Companies Act, 2013 ('the Act')**

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31 March, 2017, We have audited the internal Financial Controls over Financial reporting of Raghuvansh Agro farms Limited('the Holding Company') and its subsidiary companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and its subsidiary Companies, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design



and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its subsidiary Companies, Which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Naval Kapur & Co.  
Chartered Accountants  
FRN:005851C**

**CA Naval Kapur  
Chartered Accountant  
Membership No.:074587**

**Place: Kanpur  
Date: 30.05.2017**



**RAGHUVANSH AGROFARMS LIMITED**  
**Consolidated Balance Sheet as at 31.03.2017**

		Amount (Rs.)	
Particulars	Note No	2016-17	2015-16
<b>EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	119175500	119175500
(b) Reserve & Surplus	2	149133646	104195945
(c) Money Received against share warrants		0	0
(d) Minority Interest		33214485	29566581
<b>(2) Share application money pending allotment</b>		0	0
<b>(3) Non- Current Liabilities</b>			
(a) Long Term borrowings	3	0	0
(b) Deferred tax liabilities		0	0
(c) Other long term liabilities	3	0	0
(d) Long term provisions	4	0	0
<b>(4) Current liabilities</b>			
(a) Short term borrowings	3	4797643	5946464
(b) Trade payable	3	5764292	3424869
(c) Other current Liabilities	3	21363568	772889
(d) Short Term provisions	4	2441080	1974017
<b>TOTAL</b>		<b>335890214</b>	<b>265056265</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets	5	135576809	138692055
(ii) Intangible assets	5	1120909	1120909
(iii) Capital work in progress	5	0	0
(iv) Intangible assets under development		0	0
(b) Non- current investments	6	46174400	46455914
(c) Deferred Tax Assets (net)		748870	1657406
(d) Long term loans & advances	11	0	0
(e) Other non-current assets	10,11	0	3190524
<b>(2). Current assets</b>			
(a) Current investment	7	9360000	750000
(b) Inventories	8	18474698	13552942
(c) Trade Receivables	10	32535548	15116968
(d) Cash & cash equivalents	9	6104694	9324061
(e) Short term loans and advances	11	85794286	35195486
(f) Other current assets	11	0	0
<b>TOTAL</b>		<b>335890214</b>	<b>265056265</b>

**Notes to Accounts - 18**

Figures have been rounded off to the nearest rupee

"As per our report of even date attached".

**For M/S Naval Kapur & Co.**

Chartered Accountants,

**For Raghuvansh Agro farms Limited**

(CA. Naval Kapur)  
 Partner  
 M.N.- 074587.  
 FRN-005851C

Subodh Agarwal  
 (Managing Director)  
 Din : 00122844

Renu Agarwal  
 (Director)  
 Din : 01767959

Place: Kanpur  
 Date : 30.05.2017

Devendra Pratap Singh  
 (Chief Financial Officer)

Rajit Verma  
 (Company Secretary)

**RAGHUVANSH AGROFARMS LIMITED**  
**Consolidated Profit and Loss Statement for the year ended 31st March 2017**

		Amount(Rs.)	
Particulars	Note No.	2016-17	2015-16
I. Revenue from operations	12	162385888	63291080
II. Other Income	13	2547208	1537060
<b>III.Total Revenue(I+II)</b>		<b>164933096</b>	<b>64828140</b>
<b>IV. EXPENSES:</b>			
Cost of material consumed	14	24087167	16155841
Purchase of Stock- in-Trade		47749318	1701621
Changes in inventories of finished goods, work in progress and stock-in- Trade		-7056199	-2630157
Employee benefit expense	15	2637438	3676024
Financial Cost	16	926733	588783
Depreciation and amortization expense	5	11160055	5830204
Other Expenses	17	33579428	24920542
<b>IV.Total Expenses</b>		<b>113083940</b>	<b>50245858</b>
V. Profit before exceptional and extraordinary items and tax	(III-IV)	51849156	14582282
VI. Exceptional Items		0	0
VII. Profit before extraordinary items and tax	(V-VI)	51849156	14582282
VIII. Extraordinary Items		0	0
IX. Profit before tax	(VII-VIII)	51849156	14582282
X. Tax Expense:			
(1) Current Tax		2200000	1552000
(2) Deferred Tax		908536	-96513
XI. Profit(Loss) from the period continuing operations	(IX-X)	48740620	13126795
XII. Profit/(Loss) from discontinuing operations		0	0
XIII. Tax expense of disconting operations		0	0
XIV. Profit/(Loss) from discontinuing operations	(XII-XIII)	0	0
XV. Profit/(loss) for the period	(XI+ XIV)	48740620	13126795
XVI. Share of results of Associates		0	0
XVII. Minority Interest		0	0
XVIII. Profit/(loss) for the period	(XV+XVI+XVII)	<b>48740620</b>	<b>13126795</b>
XIX. Earning per equity share:			
(1) Basic		4.09	1.10
(2) Dilluted		4.09	1.10

**Notes to Accounts - 18**

Figures have been rounded of to the nearest rupee

"As per our report of even date attached".

**For M/S Naval Kapur & Co.**

Chartered Accountants,

**For Raghuvansh Agro farms Limited**

(CA. Naval Kapur)  
 Partner  
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Place: Kanpur  
 Date : 30.05.2017.

Devendra Pratap Singh  
 (Chief Financial Officer)

Rajit Verma  
 (Company Secretary)

**RAGHUVANSH AGROFARMS LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>A.</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
	Net Profit Before Tax	51,849,156	14,582,282
	Add/(Less) Adjustment for :		
	Depreciation	11,160,055	5,830,204
	Operating Profit Before Working Capital Changes	<b>63,009,211</b>	<b>20,412,486</b>
	Add/(Less): Adjustments for Working Capital changes :		
	Current Investments	(8,610,000)	-
	Inventories	(4,921,756)	(5,077,704)
	Trade and other Receivables	(17,418,580)	(9,920,011)
	Loan and Advances	(50,598,800)	(18,357,782)
	Other Current Assets	-	-
	Trade Payable & Other Liabilities	22,248,344	6,898,516
	<b>Cash generated From Operations</b>	<b>3,708,419</b>	<b>(6,044,495)</b>
	Tax Paid (Net)	(2,402,455)	(1,552,000)
	<b>Net Cash Flow From Operating Activities</b>	<b>1,305,964</b>	<b>(7,596,495)</b>
<b>B.</b>	<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
	Purchase of Fixed Assets	(7,997,369)	(10,113,140)
	Investment in Shares and Mutual Funds	281,514	(516,528)
	<b>Net Cash Flow from Investing Activities</b>	<b>(7,715,855)</b>	<b>(10,629,668)</b>
<b>C.</b>	<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
	Other Non current Assets	3,190,524	4,027,170
	Other Non current Liability	-	(42,000)
	Increase/(Decrease) in Secured Loans	-	(5,040,000)
	Increase/(Decrease) in Unsecured Loans	-	-
	<b>Net Cash Flow from Financing Activities</b>	<b>3,190,524</b>	<b>(1,054,830)</b>
	Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(3,219,367)	(19,280,993)
	<b>Opening Cash &amp; Cash Equivalent:</b>	<b>9,324,061</b>	<b>28,605,054</b>
	<b>Closing Cash &amp; Cash Equivalent:</b>	<b>6,104,694</b>	<b>9,324,061</b>

For M/S Naval Kapur & Co.  
Chartered Accountants,

For Raghuvansh Agro farms Limited

(CA. Naval Kapur)  
Partner  
M.N.- 074587.  
FRN-005851C

Subodh Agarwal  
(Managing Director)  
Din : 00122844

Renu Agarwal  
(Director)  
Din : 01767959

Place: Kanpur  
Date : 30.05.2017

Devendra Pratap Singh  
(Chief Financial Officer)

Rajit Verma  
(Company Secretary)





**RAGHUVANSH AGROFARMS LIMITED AND ITS SUBSIDIARIES (KANPUR  
ORGANICS PRIVATE LIMITED & SANJEEVANI FERTILIZERS AND CHEMICALS  
PRIVATE LIMITED)**

**CONSOLIDATED ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**Corporate Information**

Raghuvansh Agro Farms Limited is a Limited Company in India and incorporated under the provisions of the Companies Act, 1956. It came into existence on 19.12.1996. The company is primarily engaged in manufacturing and trading of agro products.

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Preparation**

The Consolidated Financial Statements of the Raghuvansh Agro Farms Limited and its Subsidiaries (Kanpur Organics Private Limited & Sanjeevani Fertilizers and Chemicals Private Limited) have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Consolidated Financial Statements to comply in all material aspects, with the Accounting Standards notified under the Companies relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of Consolidated Financial Statements are consistent with those of previous year except for the change in accounting policy, if any.

**2. Principal of Consolidation**

The financial statements of the holding company and subsidiary companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra- group balances, intra- group transactions and the unrealized profits.

The financial statements of the holding company and the subsidiary companies have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances except where otherwise stated.

**3. Uses of Estimates**

The preparation of the Consolidated Financial Statements in conformity with Indian GAAP requires Management to make Judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures relating to contingent assets and liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in material or immaterial adjustments to the carrying amounts of assets or liabilities in future periods.

#### **4. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Income is accounted for on accrual basis in accordance with the Accounting Standards (AS) 9- "Revenue Recognition".

Insurance and other claims are recognized in accounts on lodgment to the extent these are measurable with reasonable certainty of acceptance. Excess/ shortfall is adjusted in the year of receipt.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

#### **5. Inventories**

Inventories are valued at cost, computed on a First-in-First-out (FIFO) basis, and estimated net realizable value whichever is lower. In respect of finished goods and work in process, appropriate overheads are loaded.

#### **6. Tangible Fixed Assets**

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any subsidy/ reimbursement/ contribution received for installation and acquisition of any fixed assets is shown as deduction in the year of receipt. Capital work- in- progress is stated at cost.

The Company's livestock comprise of dairy cattle. Livestock are initially recognized at cost. The cost of newborn calf is assumed to be nil similarly cost of dead cattles to be assumed to be nil. At each reporting date fair value of livestock is compared with carrying value and any material variations are recognized through profit and loss statement.

#### **7. Depreciation**

Depreciation on assets is provided on the rates arrived at, based on the useful life estimated by the management/prescribed under the Schedule II of the Companies Act, 2013.

Depreciation on fixed assets added/disposed off during the year/period is provided on pro-rata basis with reference to the date of addition/disposal.

#### **8. Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalized and expensed off in the Statement of Profit and Loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

#### **9. Borrowing Cost**

Borrowing cost includes interest. Such costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

#### **10. Taxes on Income**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax Laws used to compute the amounts are those that are enacted, at the reporting date.

Deferred Taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets including the unrecognized deferred tax assets, if any, at each reporting date, are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date and are adjusted for its appropriateness.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the *Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961*, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

#### **11. Employee Benefits**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

**Defined contribution plan:** Company's contribution towards provident fund is recognized in the profit and loss account.

## **12. Investment**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in values is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

## **13. Earning Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluting potential equity shares.

## **14. Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, an impairment loss is recognized wherever the carrying amount of an asset exceed its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

## **15. Provisions, Liabilities & Contingent Assets**

### **a. Provisions**

A provision is recognized when the company has present obligations as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate can be made of amount of the



obligation. Provisions are not discounted at their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

## **b. Contingent Liabilities**

A Contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

## **16. Leases**

### **Where the company is Lessee**

Assets taken on lease, under which the lessor effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expense in the statement of profit and loss account.

Assets acquired under leases where all the risks and rewards of ownership are substantially transferred to company are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

### **Where the company is Lessor**

Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and Loss as revenue from operation. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

## **NOTES TO ACCOUNTS AS ON 31.03.2017**

### **1. TERMS/ RIGHT ATTACHED TO EQUITY SHARES**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2. Capital Commitment (net of advances) Rs. nil.

3. As per the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify the Micro, Small and Medium Enterprises and pay them interest on amounts overdue beyond the specified period irrespective of the terms agreed with them.

<b>S. No.</b>	<b>Particulars</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2017</b>
a.	Principal amount remaining unpaid	NIL	NIL
b.	Interest due thereon	NIL	NIL
c.	Interest paid by the Company in term of Section 16	NIL	NIL
d.	Interest due and payable for the period of delay in payment	NIL	NIL
e.	Interest accrued and remaining unpaid	NIL	NIL
f.	Interest remaining due and payable even in succeeding years	NIL	NIL

4. The balances of creditors/Trade payables and debtors/ Trade receivables appearing in the balance sheet are subject to balance confirmation/ reconciliation at the year end. The management is in the process of obtaining the respective confirmations in the due course. However, the reconciliation of these balances is not expected to result in any material adjustments in the stated balances.

**5. Related Party Disclosures for the period ended 31<sup>st</sup> March, 2017 (Consolidated) in accordance with AS - 18 issued by The ICAI**

a)	List of related parties & relationships, where control exists.						
Sr. No.	Nature of Relationship			Name of Parties			
1	Holding Company			N.A			
2	Subsidiary Company			Kanpur organics Pvt. Ltd. Sanjeevani Fertilizers and Chemicals Pvt. Ltd.			
3	Associates			Nil			
4	Key Management Personnel during the year			Mr. Subodh Agarwal (Managing Director) Mr. Devendra Pratap Singh (Chief Financial Officer) Mr. Rajit Verma (Company Secretary)			
5	Relatives of Key Management Personnel			N.A			
6	Enterprises where Significant Influence exist by Key Management Personnel			N.A			
b)	Transactions with Related Parties (Amount in `)						
Sr. No.	Transactions	Holding Company	Subsidiary Company	Associates	Key Management Personnel / Individuals	Relatives of Key Management Personnel	Enterprises where Significant Influence exist by Key Management Personnel
1	Remuneration	NIL (NIL)	NIL (NIL)	NIL (NIL)	9,60,000 (8,40,000)	NIL (NIL)	NIL (NIL)
2	Purchase of Finished Material	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
3	Purchase of Raw Material	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
4	Purchase of Capital Items	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
5	Purchase of Consumables	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
6	Purchase of shares	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
7	Repairing & Machining	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
8	Rent	NIL (NIL)	70,000 (60,000)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
9	Revenue (Travelling exp)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
10	Share Capital	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
11.	Loan given	NIL (NIL)	4,15,16,500 (6,14,78,500)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
12	Outstanding as on 31.03.2017						
	a) Amount Receivable	NIL (NIL)	4,15,16,500 (6,14,78,500)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	b) Amount Payable	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	c) Share Application Money	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	d) Guarantee given	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	e) Guarantee taken	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)

**Note:**

- a) No amount have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.  
b) Figures in bracket represent previous year /period amounts.

**6. Taxation**

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with provisions of the Income tax act, 1961.

7. Loans to Related Party presented under Note 11 to Financial Statements are on interest free basis. Repayment will commence from Financial Year 2018-19.

**8. Remuneration to Auditors Amount in (Rs.)**

Particulars	2015-16	2016-17
Audit Fee	82,000	1,01,250
Tax Audit Fee	Nil	Nil
Other Matters	Nil	Nil

**9. Segment Reporting**

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard – 17 Segment Reporting.

10. The financial statements of the holding company and subsidiary companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra- group balances, intra- group transactions and the unrealized profits. The financial statements of the holding company and the subsidiary companies have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances except where otherwise stated.

11. Live stocks are not insured.

12. Note-Details of Specified Bank Notes(SBN) held and transacted during the period 08.11.2016 to 30.12.2016

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	3,26,00,000	7,69,112	3,33,69,112
(+) Permitted Receipts	00	23,94,725	23,94,725
(-) Permitted Payments	00	21,16,388	21,16,388
(-) Amount deposited in Bank	3,26,00,000	00	3,26,00,000
Closing Cash in Hand as on 30.12.2016	00	10,47,449	10,47,449

**13. The details of subsidiaries are given below:**

- a. Name of the Subsidiary- Kanpur Organics Pvt. Ltd.  
Country of Incorporation- India  
Percentage of ownership as at 31.03.2017- 94.78%  
Business carried on by the subsidiary- Organic Manure Manufacturing  
Date of Becoming subsidiary- 06.01.2014  
Period of consolidation from 31.03.2014
  
- b. Name of the Subsidiary- Sanjeevani Fertilizers & Chemicals Pvt. Ltd.  
Country of Incorporation- India  
Percentage of ownership as at 31.03.2017- 51%  
Business carried on by the subsidiary- Trading  
Date of Becoming subsidiary- 31.03.2014  
Period of consolidation from 31.03.2014

**For Naval Kapur & Co.  
Agrofarms Ltd.  
Chartered Accountants  
FRN 005851C**

**For Raghuvansh**

**(Naval Kapur)  
(Director)  
Membership No. 074587**

**(Managing Director)**

**Date: 30-05-2017  
Place: Kanpur**

## Notes Forming Part of the Financial Statement

### NOTE-1

#### Share Capital

PARTICULAR	2016-17	2015-16
<b>Authorised Capital</b>		
12300000 Shares @ Rs.10/- each	12,30,00,000	12,30,00,000
(Previous Year 12300000 shares of Rs.10/-each)		
<b>Issued, Subscribed &amp; fully paid up Capital</b>		
11917550 shares of Rs.10/-each	119175500	119175500
(Previous Year 11917550 shares of Rs.10/-each)		
	119175500	119175500

#### Share Capital Schedule (No. of shares Outstanding)

Particulars	31-Mar-17		31-Mar-16	
	Nos.	Amount	Nos.	Amount
Opening number of Shares Outstanding	11917550	119175500	11917550	119175500
Add: Allotment during the year	0	0	0	0
Less: buyback/cancellation of shares	0	0	0	0
		0		
<b>Outstanding shares at the end of the period</b>	<b>11917550</b>	<b>119175500</b>	<b>11917550</b>	<b>119175500</b>



	Note 2:- Reserve & surplus	2016-17	2015-16
(A)	<b>Securities Premium</b> As per last Balance sheet Add: Received During the year less: utilised during the year	144910500 0 0	144910500 0 0
		<b>144910500</b>	<b>144910500</b>
(b)	<b>General Reserve</b> As per last Balance Sheet Add: Profit/(loss) for the year less: Income tax paid adjusted	2265185 0 0	2329090 0 0
		<b>2265185</b>	<b>2329090</b>
(c)	Foreign Currency Translation Reserve	<b>0</b>	<b>0</b>
(d)	<b>Surplus in the statement of Profit &amp; Loss A/C</b> As per last Balance Sheet Add: Profit for the year Less: Appropriations Proposed Dividend Tax on dividend Transfer to general reserve <b>Net surplus in the statement of profit and loss account</b>	17872932 48740620 155015 0 0 0 0 <b>66458537</b>	4682231 13126795 0 0 0 0 0 <b>17809026</b>
less:-	own share in Kanpur Organics Pvt Ltd. (capital part) Minority interest in Kanpur Organics own share in Sanjeevani. (capital part) Minority interest in Sanjeevani	(5353172) (848088) (27110919) (31188396)	(5353172) (571164) (27110919) (27817416)
	<b>Total Resesrve &amp; Surplus</b>	<b>149133646</b>	<b>104195945</b>

#### Note- 2A

#### Minority Interest

Sanjeevani Fertilizers and Chemicals Pvt Ltd.	Holding	2016-17	Minority Interest	2015-16	Minority Interest
Capital	49%	2200000	1078000	2200000	1078000
Reserve & Surplus	49%	63649788	31188396	56770238	27817417
<b>Kanpur Organics Private Ltd.</b>					
Capital	5.22%	1915000	100000	1915000	100000
Reserve & Surplus	5.22%	16240682	848088	10937654	571164
<b>Total</b>		<b>84005470</b>	<b>33214485</b>	<b>71822892</b>	<b>29566581</b>



Note 3	Current		Non-Current	
Liabilities	2016-17	2015-16	2016-17	2015-16
a)Borrowings				
Secured				
i. Loans				
-From banks;	4797643	5946464	0	0
-From other parties	0	0	0	0
ii. Loans and advances from related Parties	0	0	0	0
Loans and advances from related Parties				
iii. Deposits	0	0	0	0
iv. Other Loans and advances	0	0	0	0
	4797643	5946464	0	0
Un-Secured				
i. Loans				
-From banks;	0	0	0	0
-From other parties	0	0	0	0
ii. Loans and advances from related Parties	0	0	0	0
Loans and advances from related Parties				
iii. Deposits	0	0	0	0
iv. Other Loans and advances	0	0	0	0
	0	0	0	0
	4797643	5946464	0	0
b)Trade payables	5764292	3424869	0	0
c)Other Liabilities				
Unpaid Dividends	0	0	0	0
Other Payables	21363568	772889		0
	21363568	772889	0	0
Note 4				
Provisions				
Tds payable	29781	23432		
Other Payable	116049	0		
Audit Fees payable	95250	101000		0
Income tax payable	2200000	1849585	0	0
	2441080	1974017	0	0

**Note 5**  
**TANGIBLE AND INTANGIBLE ASSETS:**  
**RAGHUVANSH AGROFARMS LTD**  
**DEPRECIATION CHART 2016-17**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	01.04.16	ADDITION	DELETION/ADJ.	Total	01.04.16	During Yr.	ADJ.	Total	31.03.17
<b>A) Intangibles:</b>									
Goodwill	0	0	0	0	0	0	0	0	0
Software	0	0	0	0	0	0	0	0	0
Trademark	0	0	0	0	0	0	0	0	0
<b>B) Tangibles</b>									
<b>CAPITAL WORK IN PROGRESS</b>									
Bio gas plant	0	0	0	0	0	0	0	0	0
Bio gas plant (Bhogipur)	12172121	0	12172121	0	0	0	0	0	12172121
Iron & Iron structure	6552264	0	6552264	0	0	0	0	0	6552264
Plant & Machinery	12057598	0	0	12057598	0	0	0	0	12057598
Shed construction	3674924	0	3674924	0	0	0	0	0	3674924
<b>TOTAL (A)</b>	<b>34456907</b>	<b>0</b>	<b>22399309</b>	<b>12057598</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12057598</b>
<b>Aggricultural implement</b>	132041	0	0	132041	93899	8006	0	101905	30136
Air Conditioner	244813	35000	0	279813	232572	1858	0	234430	45383
Bio gas plant	2574735	22399309	0	24974044	847703	4366868	0	5214571	19759473
Building	4079380	0	0	4079380	433969	346314	0	780283	3299097
Car	5145587	1863787	85769	6151805	2946176	907752	604010	3249918	2901887
Computer	263687	16566	0	280253	145737	83269	0	229006	51247
Diesel Engine	40250	0	0	40250	28121	2442	0	30563	12129
Electric Installation	113961	0	0	113961	80237	9679	0	89916	24045
Furniture & Fixtures	170823	0	0	170823	90936	20505	0	111441	59382
Generator	191189	0	0	191189	103751	16535	0	120286	70903
Irrigation equipments	1235340	0	0	1235340	591364	122316	0	713680	521660
JCB Mach ine	1929000	0	0	1929000	1544085	123096	0	1667181	261819
Live Stock (Cattle)	15336000	0	0	15336000	0	0	0	0	15336000
Loader	187000	0	0	187000	174012	670	0	174682	12318
Motorcycle	91905	0	0	91905	31438	15660	0	47098	44807
Office Equipm ent	86500	0	0	86500	6908	35871	0	42779	79592
Plant & Machinery	21774046	6326016	0	28100062	6154200	4811626	0	10965826	17134236
Property	63088369	57000	0	63145369	0	0	0	0	63145369
Pump set	202844	0	0	202844	47434	28376	0	75810	127034
Tools	170969	0	0	170969	112801	11128	0	123929	47040
Tractor	1580600	0	0	1580600	1003603	198501	0	1202104	378496
Trolley	160000	0	0	160000	52678	19425	0	72103	87897
Weighing Machine	347469	0	0	347469	189738	30158	0	219896	127573
<b>TOTAL (B)</b>	<b>119146508</b>	<b>30697678</b>	<b>857569</b>	<b>148986617</b>	<b>14911362</b>	<b>11160055</b>	<b>604010</b>	<b>25467407</b>	<b>123519210</b>
<b>Grand Total (A+B)</b>	<b>153603415</b>	<b>30697678</b>	<b>23256878</b>	<b>161044215</b>	<b>14911362</b>	<b>11160055</b>	<b>604010</b>	<b>25467407</b>	<b>135576809</b>
<b>Previous Year</b>	<b>143490275</b>	<b>15157240</b>	<b>5044100</b>	<b>153603415</b>	<b>9081158</b>	<b>5830204</b>	<b>0</b>	<b>14911362</b>	<b>138692055</b>
									<b>134405117</b>

## Note 6

Non Current Investments	2016-17	2015-16
a) Investment Property	0	0
b) Investments in Equity Instruments	0	0
Quoted Investments	0	
unquoted investments	74437026	75340026
less- Investment in Susidiary (SFCL)	(28942000)	(28942000)
Investment in Susidiary (KOPL)	(7580000)	(7580000)
C) FDR with bank	8259374	7637888
	46174400	46455914

Aggregate amount of quoted investment(Market Value)	0	0
Aggregate amount of Unquoted investment	110959026	111862026
Value of Investment Property	8259374	7121360

## Note 7

Current Investments	2016-17	2015-16
a) Investment Property	0	0
b) Investments in Equity Instruments		
Quoted Investments	0	0
other unquoted investments	9360000	750000
	9360000	750000

Aggregate amount of quoted investment(Market Value)	0	0
Aggregate amount of Unquoted investment	9360000	750000



### Note 8

Inventories	Current		Non- Current	
	2016-17	2015-16	2016-17	2015-16
a) Raw Materials	1827204	3961647	0	0
b) Work- in progress	4408246	2413067	0	0
c) Finished goods	8569448	928603	0	0
d) Stock in trade	669800	2249625	0	0
e) Plants	3000000	4000000	0	0
f) Loose Tools	0	0	0	0
<b>TOTAL</b>	<b>18474698</b>	<b>13552942</b>	<b>0</b>	<b>0</b>

### Note 9

Cash & Cash Equivalents	Current		Non- Current	
	2016-17	2015-16	2016-17	2015-16
<b>a) Balances with Banks</b>				
On current accounts	2334540	770185	0	0
On Margin Money	0	0	0	0
On unpaid dividend account	0	0	0	0
On Account of subsidy received	1919100	1919100	0	0
Deposits with banks maturity less than 12 months	0	0	0	0
	<b>4253640</b>	<b>2689285</b>	<b>0</b>	<b>0</b>
<b>b) Cheques, drafts on hands</b>	0	0	0	0
<b>c) Cash on Hand</b>	1851054	6634776	0	0
	<b>6104694</b>	<b>9324061</b>	<b>0</b>	<b>0</b>

# **Note 10**

	Current		Non- Current	
Trade Receivable	2016-17	2015-16	2016-17	2015-16
Unsecured considered good	32535548	15116968	0	0
Outstanding exceeding six months				
Others	0	0	0	3190524
	32535548	15116968	0	3190524
Less: Provision for doubtful debts	0	0	0	0
<b>TOTAL</b>	<b>32535548</b>	<b>15116968</b>	<b>0</b>	<b>3190524</b>

# **Note 11**

	Current		Non-current	
Loans & Advances	2016-17	2015-16	2016-17	2015-16
<b>a) Loans &amp; Advances to Related parties</b>	0	0	41516500	61478500
<b>SFCL</b>			(37345000)	(41365000)
<b>KOPL</b>			(4171500)	(20113500)
<b>b) Other Advances</b>				
Loans	0	0	0	0
Advances, secured considered good	0	0	0	0
Advances, usecured considered good	82367339	32627648	0	0
Less: Provision for doubtful advance	0	0	0	0
Advance income tax	2804299	1538027	0	0
Advance Indirect Taxes	244227	651390	0	0
<b>Other Receivables</b>				
Unsecured considered good	0	0	0	0
Outstanding exceeding six months				
Other Non Current Assets	0	0	0	0
Other Current Assets	378421	378421	0	0
Deposits secured, considered good	0	0	0	0
Deposits unsecured, considered good	0	0	0	0
<b>TOTAL</b>	<b>85794286</b>	<b>35195486</b>	<b>0</b>	<b>0</b>

**NOTE-12**

**Revenue From Operations**

Particulars	2016-17	2015-16
Sale	162385888	63291080
other operating revenue	0	0
	<b>162385888</b>	<b>63291080</b>

**NOTE-13**

**Other Income**

Particulars	2016-17	2015-16
Interest Income	1341573	639560
Commission	122031	0
Rent	70000	60000
Less : Mutual Owing	-70000	-60000
Balances Written Back	0	0
Misc.Income	1083604	897500
	<b>2547208</b>	<b>1537060</b>

**NOTE-14**

**Cost Of Material Consumed**

Particulars	2016-17	2015-16
Opening.Stock	3961647	1514100
Add- Purchase During the Year	21952724	18603388
Less:-Closing Stock	1827204	3961647
	<b>24087167</b>	<b>16155841</b>

**NOTE-15**

**Employee Benefit Exp**

Particulars	2016-17	2015-16
Salary & Wages	2474600	3520600
Staff welfare	162838	155424
	<b>2637438</b>	<b>3676024</b>

**NOTE-16**

**Finance Cost**

Particulars	2016-17	2015-16
Bank Charges	73987	27051
Interest Exp	852746	561732
	<b>926733</b>	<b>588783</b>



**NOTE-17**

**Other Expenses**

Particulars	2016-17	2015-16
Advertiesment Exp	488851	2348723
Agricultural Expense	1972784	1362703
Audit Fee	101250	82000
Business Promotion Exp	844182	5000
Conveyance Exp	71961	129465
Depository Charges	103050	108724
Director Salary	960000	840000
Donation	205100	11201
Electricity Exp	30770	27385
Freight & Cartage	9850305	7719030
Insurance Exp	49487	42498
Hire Charges (JCB)	494932	405000
Listing Expense	55811	41577
Misc.Exp	399733	1096269
Membership Fees	0	107000
Manure Processing Expenses	12905728	4128068
Milk Sale Expenses	992187	957445
Power & Fuel	874631	1030926
Royalty Exp.	288880	0
Packing Material expenses	0	306144
Printing & Stationery	10872	28747
Professional Exp	345783	466304
Rent & Taxes	1122758	766100
Less : Mutual Owing	-70000	-60000
ROC Filing fees	11800	6300
Repair and maintenance	256560	266672
Radiation (BRIT)	0	0
Round off	0	19
Taxes paid (VAT)	396852	0
Telephone Exp	65524	85151
TDS Interest	2727	5356
Travelling Expenses Inland	658494	1886445
Travelling Expenses Foreign	0	660421
Vehicle Running & Maintenance	64445	48685
Website Maintenance	23971	11184
	<b>33579428</b>	<b>24920542</b>

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Twenty First Annual General Meeting of Members of Raghuvansh Agro Farms Limited will be held on Saturday the 23<sup>rd</sup> September, 2017 at 01:30 P.M. at the registered office of the Company at 201-202, Namdhari Chambers, Karol Bagh, New Delhi - 110005 to transact the following businesses.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited financial statements (including consolidated Audited Financial Statements) of the Company for the year ended on 31st March 2017 including the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Renu Agarwal who retires by rotation and being eligible, offers herself for reappointment.
3. To Appoint the Statutory Auditors of the Company and fix their remuneration and consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 140 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. U. Narain & Company, Chartered Accountants (Firm Registration No. 000935C) be and are hereby appointed as Statutory Auditors of the Company in place of the existing auditors M/s Naval Kapur & Co., Chartered Accountants (Firm Registration No. 005851C), whose term is liable for ratification at this Annual General Meeting and from whom a letter has been received expressing their unwillingness to be reappointed in the ensuing Annual General Meeting, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 26<sup>th</sup> Annual General Meeting of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM), at such remuneration as may be fixed by the Board of Directors of the Company based on recommendation of Audit Committee plus service tax, out-of-pocket, travelling and living expenses, etc."

**"RESOLVED FURTHER THAT** Mr. Subodh Agarwal, Managing Director and Mr. Rajit Verma, Company Secretary of the Company be and is hereby responsible to do all such acts, deeds and things and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification/s, the following resolution as on ordinary resolution

**"RESOLVED THAT** pursuant to Section 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Neeraj Agarwal (DIN: 07718447), who was appointed as an Additional Director of the Company with effect from 30<sup>th</sup> January, 2017 by the Board of Directors and who holds office upto the date of this Annual General Meeting pursuant to section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice from a member proposing his candidature for the office of Director under section 160 of the Companies Act, 2013, be and is hereby appointed as a Non Executive Director of the Company whose office is liable to retire by rotation."



**"RESOLVED FURTHER THAT** Mr. Rajit Verma, Company Secretary of the Company be and is hereby authorized to take all actions and steps expedient or desirable to give effect to this aforesaid resolution."

**Date:** 19.08.2017

**Place:** Kanpur

By the order of the Board

For Raghuvansh Agro Farms Limited

-Sd-

**Rajit Verma**  
**(Company Secretary and Compliance Officer)**

**Notes:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be valid must be received by the company not less than 48 hours before the meeting.

A person can act as proxy for only 50 members and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.

2. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Members / Proxies / Authorized Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting.
5. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.
6. Pursuant to the provisions of Section of 91 of The Companies Act, 2013 and listing agreement, The Register of Members and Share Transfer Book will remain closed from 16.09.2017 to 23.09.2017 (both days inclusive).
7. SEBI & the Ministry of Corporate Affairs encourage paperless communication as a contribution to greener environment.

Members holding shares in physical mode are requested to register their e-mail ID's with the Skyline Financial Services Pvt. Ltd., the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered.

If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

8. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made there under the copy of the Annual Report including Financial statements, Board's report etc. and this Notice are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to [raghuvanshagro@gmail.com](mailto:raghuvanshagro@gmail.com) mentioning your Folio/DP ID & Client ID.
9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to Skyline Financial Services Pvt. Ltd.
10. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
11. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in demat / electronic form, the nomination form may be filed with the respective Depository Participant.
12. All documents referred to in the Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. up to the date of the 21<sup>st</sup> Annual General Meeting of the Company.
13. With reference to Rule 20 of the Companies (Management and Administration) Amendment Rules 2015, your company is listed on SME of Platform of BSE under the regulation of chapter XB of the SEBI( Issue of Capital and Disclosure Requirement) Regulations, 2009, is not required to provide the e-voting process for the consideration of resolutions, proposed at the General Meeting.

## **EXPLANATORY STATEMENT**

The following Explanatory Statements set out all material facts relating to the business under Item No. 3 and Item No. 4 of the accompanying Notice dated 19.08.2017.

### **Item – 3**

The existing Statutory Auditors of the Company M/s. Naval Kapur & Co., Chartered Accountants (Firm Registration No. 005851C) whose term is liable to ratification at this Annual General Meeting, has submitted his expression for unwillingness for the reappointment in the ensuing Annual General Meeting.

As instructed by the Board of Directors, Audit Committee of the Company has recommended the name of M/s. U. Narain & Company, Chartered Accountants (Firm Registration No. 000935C) to be appointed as Statutory Auditors of the Company in reference to that M/s. U. Narain & Company has submitted its consent letter confirming eligibility for such appointment.

Board of Directors considered the same and recommended the name of M/s. U. Narain & Company, Chartered Accountants (Firm Registration No. 000935C) to the members of the Company for their approval, to be appointed as Statutory Auditors of the Company for a period of five years.

#### **Item – 4**

The Board of Directors of the Company had appointed Mr. Neeraj Agarwal as an Additional (Non –Executive) Director w.e.f. January 30th, 2017 pursuant to Section 161 of the Companies Act, 2013. He holds office up to conclusion of this Annual General Meeting.

In accordance with the provisions of section 152 of the Companies Act, 2013, appointment of Director requires approval of the members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Neeraj Agarwal be appointed as Non Executive Director in the Board, whose office is liable to retire by rotation.

The appointment of Mr. Neeraj Agarwal shall be effective upon approval by the member in the Annual General Meeting.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Mr. Neeraj Agarwal for the office of Non Executive Director, to be appointed as such under the provisions of Section 152 and other applicable provisions of the Companies Act, 2013.

The Company has received a declaration from Mr. Neeraj Agarwal in writing to the effect that he is not disqualified from being appointed as a Non Executive Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

No Director, Key Managerial personnel or their relatives, except Mr. Neeraj Agarwal, to whom the resolution relates, is interested or concerned in the resolution.

Date: Kanpur  
Place: 19.08.2017

By the order of the Board  
For Raghuvansh Agro Farms Limited

-Sd-  
Rajit Verma  
(Company Secretary & Compliance Officer)

### **Annexure to the Item No.-2 & Item No.-4 of the Notice**

Details of Directors seeking appointment and reappointment at the forthcoming Annual General Meeting. In pursuance of Regulation 36(3) of SEBI (LODR) Regulations, 2015:

<b>Name of the Director</b>	<b>Mrs. Renu Agarwal</b>	<b>Mr. Neeraj Agarwal</b>
Date of Birth	04/12/1976	22/10/1964
Nationality	Indian	Indian
Date of appointment on the Board	01/07/2014	30/01/2017
Qualifications	Under Graduate	Chartered Accountant
Expertise	In Business	Professional
No. of Shares held in the company	Nil	Nil
List of the directorship held in other Company	Nil	Nil
Chairman/Member in the committees of the board of other companies in which he/she is director	<b>Chairman-Nil</b> <b>Member-Nil</b>	<b>Chairman-Nil</b> <b>Member-Nil</b>
Relationship, if any, between director's inter se	Wife of Mr. Subodh Agarwal	No
<p>* Directorships includes Directorship of other Indian Public Companies and Committee memberships includes only Audit Committee and Stake holders' Relationship Committee of Public Limited Company (whether Listed or not);</p> <p>* Other required details are stated in Board Report.</p>		





# **RAGHUVANSH AGROFARMS LIMITED**

**CIN:** L40300DL1996PLC258176

**Reg. Office:** 201-202, Namdhari Chambers, Karol Bagh, New Delhi-110005

**Corp. Office:** 16/19-A, Civil Lines, Kanpur -208001, Uttar Pradesh

**Tel. :** 0512-3071470, 3071471

**Email:** raghuvanshagro@gmail.com, rafl666@rediffmail.com

**Website:** www.raghuvanshagro.com

## **Form No. MGT-11 (PROXY FORM)**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company. Hereby appoint

Name :	
Address:	
	E-mail Id:
Signature: _____, or failing him	

Name :	
Address:	
	E-mail Id:
Signature: _____, or failing him	

Name :	
Address:	
	E-mail Id:
Signature: _____, or failing him	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Saturday, the 23rd September, 2017 at 01:30 P.M. at the registered office of the Company at 201-202, Namdhari Chambers, Karol Bagh, New Delhi-110005 and at any adjournment thereof in respect of such resolutions as are indicated below:

### **Resolution No.**

Sl. No.	Resolution(s)	Vote	
		For	Against
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2017		
2.	Re-appointment of Mrs. Renu Agarwal as director, retiring by rotation		
3.	Appointment of M/s. U. Narain & Company (Firm Registration No. 000935C) as a Statutory Auditors of the Company		
4.	Appointment of Mr. Neeraj Agarwal as a Non Executive Director of the Company		



Affix  
Revenue  
Stamp

Signed this.....day of.....2017

Signature of the shareholder  
across Revenue Stamp

Signature of Shareholder.....Signature of Proxy holder.....

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company.

-----**Please tear here**-----

**RAGHUVANSH AGROFARMS LIMITED**

**CIN:** L40300DL1996PLC258176

**Reg. Office:** 201-202, Namdhari Chambers, Karol Bagh, New Delhi-110005

**Corp. Office:** 16/19-A, Civil Lines, Kanpur -208001, Uttar Pradesh

Tel.: 0512-3071470, 3071471

**Email:** raghuvanshagro@gmail.com, rafl666@rediffmail.com

**Website:** www.raghuvanshagro.com

**ATTENDANCE SLIP**

(To be presented at the entrance)

Reg. Folio No.	DP id.	Client id.	No. of Shares held

Name of the Reg. Shareholder-----

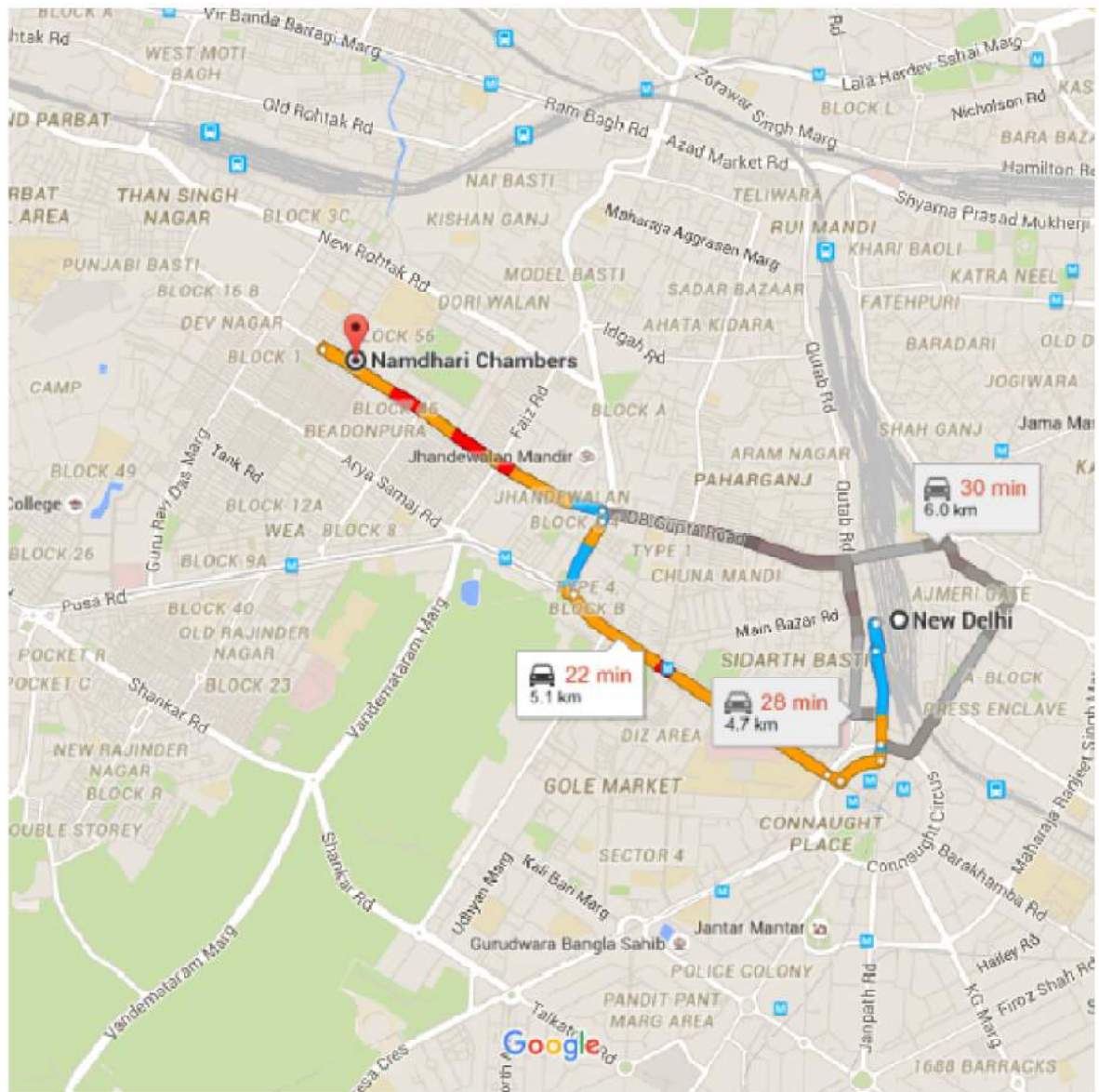
I, being the registered shareholder/Proxy for the registered shareholder of the company hereby record my presence at the 21<sup>st</sup> Annual General Meeting of the Company held on saturday, the 23<sup>rd</sup> September, 2017 at 01:30 P.M. at the registered office of the Company at 201-202, Namdhari Chambers, Karol Bagh, New Delhi-110005.

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Member's/Proxy's name in Block Letters

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Member's/Proxy's Signature

**NOTE:** Please fill up this attendance slip and hand it over at the entrance of the venue for the meeting. Members/Proxy Holders are requested to bring their copies of the Annual Report to the meeting.

### Route map of the Venue of the Annual General Meeting



### 21<sup>st</sup> Annual General Meeting Venue

**Reg. Office:** 201-202, Namdhari Chambers,  
Karol Bagh, New Delhi-110005